

By Mr. SIMPSON of Pennsylvania:

H. R. 6477. A bill to amend section 3250 (1) (5) of the Internal Revenue Code, and for other purposes; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 6478. A bill to amend Public Law 626, Eightieth Congress, relating to the Army Institute of Pathology Building; to the Committee on Armed Services.

H. R. 6479. A bill to amend the Armed Forces Leave Act of 1946, as amended, and for other purposes; to the Committee on Armed Services.

H. R. 6480. A bill to revise title 18, United States Code, entitled "Crimes and Criminal Procedure"; to the Committee on Armed Services.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: memorial of the legislature of the Territory of Hawaii, requesting the return of Fort Armstrong to the Territory of Hawaii; to the Committee on Armed Services.

Also, memorial of the legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to reactivate the former Civilian Conservation Corps through the Federal Security Agency, for the purpose of providing employment and vocational training for youthful residents of the Territory of Hawaii; to the Committee on Education and Labor.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLLING:

H. R. 6481. A bill for the relief of Albert Beraha; to the Committee on the Judiciary.

By Mrs. BOSONE:

H. R. 6482. A bill for the relief of Antonio Artolozaga Euscola; to the Committee on the Judiciary.

By Mr. CASE of New Jersey:

H. R. 6483. A bill for the relief of Helmuth Assmas Balthasar Russow and Volker Harpe; to the Committee on the Judiciary.

By Mr. CLEMENTE:

H. R. 6484. A bill for the relief of the United Transformer Corp.; to the Committee on the Judiciary.

By Mr. DENTON:

H. R. 6485. A bill for the relief of Jodeene Lehrman; to the Committee on the Judiciary.

By Mr. DEWART:

H. R. 6486. A bill for the relief of Dr. Frederick Daniel McDade; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 6487. A bill for the relief of Novak Zuber; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 6488. A bill for the relief of Solomon Salti and Fortune Sarfati de Salti; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 6489. A bill for the relief of the United Transformer Corp.; to the Committee on the Judiciary.

By Mr. McGUIRE (by request):

H. R. 6490. A bill for the relief of Margarita Funakura; to the Committee on the Judiciary.

By Mr. MARCANTONIO:

H. R. 6491. A bill for the relief of Abdul Goni; to the Committee on the Judiciary.

H. R. 6492. A bill for the relief of Eshad Ali; to the Committee on the Judiciary.

H. R. 6493. A bill for the relief of Entaz Ali; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 6494. A bill for the relief of Georgette Charalambo Harrison; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER:

H. R. 6495. A bill for the relief of Rosa Puzzo; to the Committee on the Judiciary.

By Mr. PLUMLEY:

H. R. 6496. A bill for the relief of Giuseppe Omati; to the Committee on the Judiciary.

H. R. 6497. A bill for the relief of Tonino Maggiani; to the Committee on the Judiciary.

H. R. 6498. A bill for the relief of Vincenzo Andreani; to the Committee on the Judiciary.

H. R. 6499. A bill for the relief of Lamberto Sarzanini; to the Committee on the Judiciary.

H. R. 6500. A bill for the relief of Mario Pucci; to the Committee on the Judiciary.

H. R. 6501. A bill for the relief of Alessandro Costa; to the Committee on the Judiciary.

By Mr. FOULSON:

H. R. 6502. A bill for the relief of Ernest (Erno) Reimann and Mrs. Dora Banffy Reimann; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 6503. A bill for the relief of Mrs. Hedvika Kohler-Rausch; to the Committee on the Judiciary.

By Mr. SABATH:

H. R. 6504. A bill for the relief of Karel Kase; to the Committee on the Judiciary.

By Mr. TABER:

H. R. 6505. A bill to legalize the entry of Mrs. David Munson Osborne, nee Janet Mary Tole, a native of New Zealand to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII,

1540. Mr. GRAHAM presented a memorial of the Lawrence County Pomona Grange of Lawrence County, Pa., opposing all subsidies and floor prices and wages, in the belief that they are against the true principles of democracy, which was referred to the Committee on Agriculture.

## SENATE

WEDNESDAY, OCTOBER 19, 1949

(Legislative day of Monday, October 17, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, for the beauty which fills the earth and the love that hallows our homes and the joy that springs from work well done, we thank Thee, the source of all gladness. We bow with the confession that through this crucial period we have been, at best, unprofitable servants. Now unto Thy holy keeping we commit ourselves and all that we have done and said during these momentous times, in this forum of the Nation.

Wilt Thou bless and strengthen all that here has been worthily done, as these servants of the people have followed flickering lights in a dark hour. Pardon and overrule what has been done unworthily, or done amiss.

And now may the Lord bless us and keep us. May the Lord make His face to shine upon us and be gracious unto us. May the Lord lift up the light of His countenance upon us, and give us peace,

peace in our own hearts, peace in this dear land of ours and peace throughout all the earth, now and evermore. We ask it in the dear Redeemer's name. Amen.

#### THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, October 18, 1949, was dispensed with.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6427) making supplemental appropriations for the fiscal years ending June 30, 1950, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. KERR, Mr. RABAUT, Mr. KIRWAN, Mr. TABER, and Mr. WIGLESWORTH were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the bill (S. 2404) authorizing an appropriation for the construction, extension, and improvement of a county hospital at Albuquerque, N. Mex., to provide facilities for the treatment of Indians, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 1580) concerning common-trust funds and to make uniform the law with reference thereto, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 2585) to amend the Tariff Act of 1930 to provide for exemption from duty of certain metallic impurities in tin ores and concentrates when such impurities are not recovered, in which it requested the concurrence of the Senate.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 4495. An act to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, and promotion, and for other purposes; and

H. R. 5931. An act to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended, and for other purposes.

#### CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	McMahon
Anderson	Hill	Magnuson
Baldwin	Hoey	Malone
Brewster	Holland	Martin
Bridges	Ives	Millikin
Byrd	Johnson, Colo.	Morse
Cain	Johnson, Tex.	Myers
Capehart	Johnston, S. C.	Neely
Chapman	Kem	O'Connor
Connally	Kerr	O'Mahoney
Cordon	Kilgore	Pepper
Donnell	Knowland	Russell
Downey	Langer	Saltonstall
Dworshak	Leahy	Schoeppel
Eaton	Lodge	Smith, Maine
Fulbright	Long	Thomas, Utah
George	Lucas	Watkins
Graham	McCarthy	Wherry
Gurney	McFarland	Williams
Hayden	McKellar	Young

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. McCARRAN], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Virginia [Mr. ROBERTSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], and the Senator from Oklahoma [Mr. THOMAS] are absent on official committee business.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], the Senator from South Dakota [Mr. MUNDT], and the Senator from New Jersey [Mr. SMITH] are absent on official business with leave of the Senate.

The Senator from New York [Mr. DULLES], the Senator from New Jersey [Mr. HENDERICKSON], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON], the Senator from Indiana [Mr. JENNER], and the Senator from Minnesota [Mr. THYE] are absent on official committee business.

The Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The VICE PRESIDENT. A quorum is present.

#### TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

#### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

#### SUPPLEMENTAL ESTIMATE, DEPARTMENT OF DEFENSE (S. Doc. No. 121)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to \$6,000,000, and contract authorization amounting to \$24,000,000, for the Department of Defense, fiscal year 1950 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

#### SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

A letter from the Attorney General, withdrawing the names of Inga Risteigen and Gunhild Risteigen from a report relating to aliens whose deportation was suspended more than 6 months ago, transmitted to the Senate on July 1, 1949; to the Committee on the Judiciary.

#### SPECIAL STATISTICAL STUDIES BY COMMERCE DEPARTMENT

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend an act of May 27, 1935 (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

#### AUDIT REPORT ON VETERANS CANTEN SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Veterans Canteen Service for the fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

#### REPORT OF MARITIME COMMISSION UNDER MERCHANT SHIP SALES ACT

A letter from the Chairman of the United States Maritime Commission, transmitting, pursuant to law, a quarterly report of that Commission on its activities and transactions under the Merchant Ship Sales Act of 1946 for the period July 1, 1949, through September 30, 1949 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

#### PETITIONS

Petitions were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Interior and Insular Affairs:

#### "House Concurrent Resolution 13

"Concurrent resolution requesting the return of Fort Armstrong to the Territory of Hawaii

"Whereas Fort Armstrong in Honolulu, T. H., is no longer of any military value to the United States; and

"Whereas said Fort Armstrong is located at the mouth of Honolulu Harbor in such a position that a large portion thereof could be used for the improvement of the wharfage, pier, and warehousing facilities of Honolulu Harbor: Now, therefore, be it

"Resolved by the House of Representatives of the Twenty-fifth Legislature of the Territory of Hawaii in special session assembled (the Senate concurring), That the Congress of the United States be and it is hereby respectfully requested to return said Fort Armstrong to the jurisdiction and control of the Territory of Hawaii; and be it further

"Resolved, That duly certified copies of this concurrent resolution be forwarded to the

Speaker of the House of Representatives and the President of the Senate of the Congress of the United States, and to the Delegate to Congress from Hawaii."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Public Works:

#### "House Concurrent Resolution No. 14

"Concurrent resolution requesting the Congress of the United States to reactivate the Civilian Conservation Corps in the Territory of Hawaii

"Whereas the economy of the Territory of Hawaii is suffering from serious unemployment; and

"Whereas employment and vocational opportunities for the youthful residents of the Territory are limited; and

"Whereas there is great need for useful public-works projects in the Territory, and particularly in the development and protection of the island forest reserves and other recreational areas; and

"Whereas Territorial revenues are at present incapable of adequately financing such necessary work or to fully execute a program for vocational training in conjunction therewith: Now, therefore, be it

"Resolved by the House of Representatives of the Twenty-fifth Legislature of the Territory of Hawaii, convened in special session (the Senate concurring), That the Congress of the United States be and it is respectfully requested to reactivate the former Civilian Conservation Corps through the Federal Security Agency, for the purpose of providing employment as well as vocational training for youthful residents of the Territory of Hawaii who are unemployed and in need of employment through the performance of useful public works in connection with the conservation and development of the natural resources of the Territory; and be it further

"Resolved, That certified copies of this concurrent resolution be forwarded to the President of the United States, to the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, and to the Delegate to the Congress from Hawaii."

A letter in the nature of a petition from the National Citizens' Committee for United Nations Day, Washington, D. C., signed by Melvin D. Hildreth, chairman, National Capital observance committee, relating to the observance of United Nations Day (with accompanying papers); to the Committee on Foreign Relations.

#### DOWNGRADING POSITIONS AT NAVAL POWDER FACTORY, INDIAN HEAD, MD.

Mr. O'CONOR. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by Secretary of the Navy Frank P. Knox Post, No. 233, the American Legion, Indian Head, Md., and a letter from Raymond A. Burke, State veterans preference chairman, the American Legion, Department of Maryland, regarding downgrading of positions at the Naval Powder Factory located at Indian Head.

The charge is made that the procedures adopted are in direct violation of the Veterans Preference Act of 1944.

There being no objection, the resolution and letter were referred to the Committee on Post Office and Civil Service



and ordered to be printed in the RECORD, as follows:

RESOLUTION OF SECRETARY OF THE NAVY FRANK P. KNOX POST, NO. 233, THE AMERICAN LEGION, INDIAN HEAD, MD.

By unanimous vote of this post at its regular meeting held October 7, 1949, the following resolution was adopted:

"Be it resolved, That the Secretary of the Navy Frank Knox Post, No. 233, of the American Legion, Department of Maryland, go on record as protesting the contemplated change of ratings and/or reduction in compensation of veterans employed at the Naval Powder Factory, Indian Head, Md.; be it further

"Resolved, That this post believes that the Veterans Preference Acts are being flagrantly violated by the administrative official of this establishment."

We appeal to Secretary of the Navy Matthews to have this matter investigated.

HAROLD H. CHANDLER,  
Commander,  
Indian Head, Md.

HARMOND A. KLASS,  
Adjutant,  
Indian Head, Md.

LA SOCIETE DES QUARANTE HOMMES  
ET HUIT CHEVAUX, LE GRANDE  
VOITURE DE MARYLAND, INC.,  
October 17, 1949.

The Honorable HERBERT O'CONNOR,  
United States Senator,  
Washington, D. C.

MY DEAR SENATOR: I respectfully call attention to accompanying resolution passed by the Secretary of the Navy Frank Knox Post No. 233, of the American Legion at Indian Head, Md., October 8, 1949, and my letter to Secretary of the Navy, the Honorable Francis Matthews, dated October 10, 1949.

I attended a rally Saturday, October 15, 1949, held at Indian Head, Md., of 100 war veterans protesting the proposed change of jobs and reduction in compensation of war veterans at the naval powder factory, at Indian Head, Md.

At the present time, men employed at the powder factory in many phases of work as outlined in accompanying notice to Ralph J. Malone, dated September 26, 1949, have all been listed as powder factory attendants.

Under the proposed set-up on new positions a few veterans have been promoted but the majority have been reduced to \$1.06 per hour, the great majority of men reduced are veterans. Nonveterans are being promoted, others are retaining their positions and some reduced.

This is in direct violation of the Veterans Preference Act of 1944.

Sunday, October 16, 1949, at a regular meeting held at Indian Head, Md., the Southern Maryland District of the American Legion composed of fifty posts unanimously adopted a resolution protesting said reduction of veterans and requested the Secretary of the Navy to investigate the procedure followed by officials at Indian Head, Md., powder factory.

At a time when the Congress of the United States has seen fit to increase wages due to the high cost of living, surely this is no time to lower the standards of living of our veterans who served that our Nation might survive.

I respectfully request your aid to prevent this reduction.

With kindest personal regards, I remain,  
Very truly yours,

RAYMOND A. BURKE,  
State Veterans Preference Chairman,  
the American Legion, Department  
of Maryland.

# RETIREMENT RIGHTS FOR EMPLOYMENT-SECURITY EMPLOYEES—RESOLUTION OF INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution adopted by the Interstate Conference of Employment Security Agencies, in New York, on September 26-30, 1949, relating to retirement rights for employment-security employees.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Interstate Conference of Employment Security Agencies, at its annual meeting in New York, on September 26-30, 1949, adopted the following resolution:

## "RESOLUTION RELATING TO RETIREMENT RIGHTS FOR EMPLOYMENT-SECURITY EMPLOYEES"

"Whereas a substantial number of employees in the employment-security program have been employed in both Federal and State jurisdiction and by such service have gained retirement rights in a State or Federal system; and

"Whereas there are employment-security employees employed in States that have no State retirement laws, and there are employed in such States a substantial number of employees who at one time were in Federal employment and earned Federal retirement credits, and others who have no retirement rights, either Federal or State; and

"Whereas it is in the public interest that provision be made for adequate retirement benefits for all employment-security employees: Now, therefore, be it

"Resolved, That the appropriate committee of the conference be assigned the responsibility of (1) further exploring possibilities of securing adequate retirement benefits for employment-security employees in States that have no retirement laws, and (2) promoting to the extent feasible State and Federal legislation that will provide reciprocal arrangements under which Federal and State employees with employment in both Federal and State jurisdictions will be given an opportunity to combine retirement credits in one system.

"Adopted by conference September 27, 1949."

## REPORT AND RECOMMENDATIONS OF MARINE CORPS MEMORIAL COMMISSION

Mr. HAYDEN. Mr. President, on behalf of the Senator from Illinois [Mr. DOUGLAS] I ask unanimous consent to have printed in the RECORD the report and recommendations of the Marine Corps Memorial Commission appointed under Public Law 327, of the Eightieth Congress, which was received by the President of the Senate Thursday, October 6, 1949, and referred to the Committee on Rules and Administration.

There being no objection, the report and recommendations were ordered to be printed in the RECORD, as follows:

MARINE CORPS MEMORIAL COMMISSION,  
Chicago, Ill., September 1, 1949.  
The PRESIDENT OF THE SENATE,  
Senate Office Building,  
Washington, D. C.

DEAR SIR: In accordance with section 6 of Public Law 327, Eightieth Congress, approved August 4, 1947, we send, herewith, a report of the Marine Corps Memorial Commission,

including our recommendations for congressional action.

Cordially yours,

JOSEPH DALE PROBST,  
Chairman.

## MARINE CORPS MEMORIAL COMMISSION REPORT TO THE EIGHTY-FIRST CONGRESS OF THE UNITED STATES OF AMERICA

Section 1, authority: Public Law 327—Eightieth Congress, chapter 449—first session, Senate Joint Resolution 112, as follows:

"Joint resolution to establish a commission to formulate plans for the erection in Grant Park, Chicago, Ill., of a Marine Corps memorial

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established a commission, to be known as the Marine Corps Memorial Commission, and to be composed of three Commissioners to be appointed by the President of the United States. The Commission shall consider and formulate plans for the erection upon a suitable site in Grant Park, in the city of Chicago, Ill., of an appropriate memorial to the members of the United States Marine Corps who have given their lives in the service of their country.

"Sec. 2. The Commission may accept from any source, public or private, money or other property for use in carrying out its functions under this joint resolution; and is authorized to cooperate with interested public and private organizations in carrying out such functions.

"Sec. 3. Upon the request of the Commission, the heads of the Federal departments or agencies may designate such personnel of their respective departments or agencies, or of the Marine Corps, as the case may be, as may be necessary to assist in carrying out the purposes of this joint resolution.

"Sec. 4. Members of the Commission shall serve without compensation except that their actual expenses in connection with the work of the Commission may be paid from any funds available for the purposes of this joint resolution, or acquired by other means herein authorized.

"Sec. 5. The members of the Commission shall select one of their number as chairman and another as secretary.

"Sec. 6. The Commission shall report its recommendations to Congress at the earliest practicable date.

"Approved August 4, 1947."

On November 24, 1947, the President of the United States appointed the following Commissioners: Joseph D. Probst, Joseph J. McCarthy, and John L. Spiczak, all of Chicago, Ill. They selected Joseph D. Probst as Chairman and Joseph J. McCarthy as Secretary. The Commission has been actively engaged in its functions since then, and is now rendering this report to the Congress.

Section 2, background and history: In examining the reasons for the Marine Corps Memorial, the Commission found that thousands of families of Marines from the Chicago area felt slighted in the lack of an appropriate memorial to their kin who gave the supreme sacrifice in the service of the corps. It was pointed out that a large percentage of the corps was recruited in the Chicago area. It was further pointed out that Chicago had honored other branches of the services by memorials such as Navy Pier and Soldiers Field. It was also found that State and municipal bodies were also in favor of a Marine memorial but had not acted thus far, beyond an enabling bill for a site. This was House bill No. 780 in Senate, Sixty-third General Assembly, State of Illinois, which passed June 30, 1943 and approved by the Governor July 23, 1949. It provided that "The Chicago

Park District may permit the erection by the Marine Corps League of a proper and suitable memorial building or monument to the members of the United States Marine Corps who have been killed in action in the various wars in which the Marine Corps has participated."

The Marine Corps League, a veterans organization chartered by the Congress of the United States, has been the principal civic group endeavoring to crystallize plans for the Marine Corps Memorial. The Commission further found that the memorial envisioned was to be a suitable building containing a memorial rotunda with bronze honor rolls to the valorous dead, where periodical memorial services would be held. It is also to contain an exhibit hall of Americana related to the famous Corps throughout its history since 1775, planned as an inspirational spectacle of Americanism.

In addition, it was felt that the memorial serve an even more useful and practical purpose, that of providing armory features for the training of Marine Reserves and further, to house all Marine activities in the Chicago area including recruiting.

One of Chicago's leading architectural firms has prepared plans for this memorial and these plans have been approved by the Director, Division of Reserve, Headquarters, United States Marine Corps, Washington, D. C., in a letter dated February 3, 1948. Thus the memorial would also serve a vital function in national defense.

Section 3, information: In checking with United States Marine Headquarters in Washington and the United States Marine Reserve units in Chicago, the Commission confirmed the desirability of centralizing various Marine Corps offices and facilities in Chicago, wherein these branches would be moved out of leased and other Government building space, and centralized for greater efficiency in the memorial building. The Reserve component of the Ninth Marine Battalion, along with a weapons company, would have facilities for adequate training in a suitable drill hall and classrooms and proper storage space for equipment. Suitable office space would also be included.

Since a centralized site was of prime importance and because the foregoing Public Law No. 327 designated Grant Park, the Commission conferred with the Chicago Plan Commission and the Chicago Park District. As a result of several meetings over the past 18 months, the Chicago Plan Commission in a letter dated May 19, 1949, recommended four sites, two of which were centrally located and the other two were outlying, from 4 to 6 miles away from central Chicago. Of the two central sites—one is at the south foot of Navy Pier, belonging to the Bureau of Rivers and Harbors of the Chicago Department of Public Works. It is intended for future harbor requirements. The site is accessible by automobile but parking facilities are inadequate and the only access by public transit is via Grand Avenue. The other central site is in the Y of the Chicago River, Wolf Point, which is privately owned and valued at \$838,000, and would require expensive and difficult development.

In view of this, the Commission again conferred with the Chicago Park District and was told that no land was available except south of Twenty-third Street, which was also an inaccessible locality. The matter of a site in Grant Park was again reviewed and in view of the Illinois Supreme Court decision (*South Park v. Ward & Co.*) it was pointed out that a land site could not be deeded by the park district. The Commission noted that a State naval armory was built on the lake adjoining the shore of Grant Park at Randolph Street and that the Columbia Yacht Club structure was also on the shore adjoining the park, just beyond the naval armory. The

park district pointed out that these structures were not legally in Grant Park, that these sites were permitted by the War Department, since they own the navigable waters adjoining the shores off Grant Park. The Chicago Park District pointed out that if the War Department granted off-shore site for the Marine Corps Memorial, between Monroe Street and Jackson Boulevard, it would provide the finest possible site, available to all forms of transportation, adjacent to the huge Grant Park parking lot and recreation fields. In this event, the park district would cooperate in the approaches to the memorial.

In discussion concerning this site, the Commission found it eminently satisfactory and agreeable to the United States Marine Corps and Reserve, the Marine Corps League, and to the thousands of families of marines, who believe a prominent site as this will do full justice to the memory of their loved ones and constitute a fitting tribute in the city of Chicago on the shores of Lake Michigan.

Section 4, recommendations: In pursuance of its duties under Public Law 327, as cited previously, the Commission hereby states that there is a just obligation to erect a memorial to the large number of marines from the Chicago area who were killed in action, and further, that it is in keeping with public policy that this memorial be forever useful in fulfilling the urgent need for training Reserve Marines, while at the same time providing needed facilities for centralized Marine Corps activities in the Chicago area, all to be housed in this memorial building.

The plans herewith for the building described depict a monumental structure 250 feet by 275 feet which, with suitable environs and approaches, would require a minimum area of approximately 4 acres. The Commission recommends that the War Department allocate a site for this space off the shore of Lake Michigan fronting on Grant Park between Monroe Street and Jackson Boulevard, and permit a land fill upon which the Marine Corps Memorial will be built, facing the city of Chicago.

Since the greater active use of the building will be vested in an arm of the United States naval forces, the Commission recommends that the Congress appropriate the necessary funds for the land fill and the erection of the Marine Corps Memorial. The United States Marine Corps has agreed to accept the armory facilities and considers Grant Park shore site as highly satisfactory, and further, will assume maintenance of the armory out of allowable Marine Reserve appropriations, as covered in the Commandant of the Marine Corps' letter dated May 22, 1946.

The Commission has been advised by competent architectural and construction authorities that the land fill, building, and environs will not exceed \$15,000,000 in cost and, therefore, the Commission recommends that this sum be appropriated by the Congress for this purpose. The Commission recommends that the construction be supervised by the Federal Works Agency and any moneys which may be remaining after completion of the Marine Corps memorial project shall be returned to the Treasurer of the United States. The Commission further recommends that moneys contributed by private sources toward the cost of the Marine Corps Memorial be set aside in a special fund for the purpose of providing such interior furnishings as may be desirable.

The Commission further recommends that the present Marine Corps Memorial Commission be continued as an active liaison to the Congress to report progress as may be necessary until the final purposes of the

joint resolution of the Congress has been fulfilled and completed.

Respectfully submitted.

JOSEPH DALE PROBST,  
Chairman, Marine Corps Memorial  
Commission.

Approved:

JOSEPH J. MCCARTHY, CMH.,  
Secretary, Marine Corps Memorial  
Commission.

JOHN L. SPICZAK,  
Commissioner, Marine Corps Memorial  
Commission.

SEPTEMBER 1, 1949.

#### REPORT ON ECA OPERATIONS IN FRANCE (S. REPT. NO. 1203)

Mr. CONNALLY. Mr. President, the Senator from Nevada [Mr. McCARRAN] is chairman of what is known as the watchdog committee with relation to the ECA. He is in Europe, as Senators know. At his request, I am submitting a report by his staff concerning the ECA operations in France. The report is not unanimous on the part of all the members of the committee. Representatives CANNON, KEE, and VORYS have expressed no opinion on the matter, but a majority of the committee, including Representative TABER, of New York, have joined in the report. I ask unanimous consent to submit the report on behalf of the Senator from Nevada [Mr. McCARRAN].

The VICE PRESIDENT. Without objection, the report will be received and printed.

#### EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN:

S. 2745. A bill for the relief of Marie De Champourcin; to the Committee on the Judiciary.

(Mr. JOHNSON of Texas introduced Senate bill 2746, to amend section 12 of the Natural Gas Act, as amended, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 2747. A bill relating to the renewal of contracts for the carrying of mail on star routes; to the Committee on Post Office and Civil Service.

By Mr. RUSSELL (for Mr. TYDINGS):

S. 2748. A bill to revise title 18, United States Code, entitled "Crimes and Criminal Procedure"; to the Committee on the Judiciary.

By Mr. BALDWIN:

S. 2749. A bill to amend section 12 (c) of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

S. 2750. A bill to authorize and direct the conveyance of a certain tract of land in the State of Connecticut to the North Stonington Volunteer Fire Company; to the Committee on Agriculture and Forestry.

(Mr. MALONE introduced Senate bill 2751, to eliminate excise taxes first imposed since



the beginning of World War II and to reduce other excise taxes to the rates in effect at the beginning of such war, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. IVES (for Mr. DULLES) (by request):

S. 2752. A bill for the relief of Maria Kulikowska Pill;

S. 2753. A bill for the relief of Peter Bela Koros and Marianne Rose Endrenyi;

S. 2754. A bill for the relief of Victoria Zaharia Hillel;

S. 2755. A bill for the relief of Magda Erdossi;

S. 2756. A bill for the relief of Sandor Brunauer and Maria Kaplar Brunauer;

S. 2757. A bill for the relief of Maria Monseu and minor children; and

S. 2758. A bill for the relief of Janos Brody and certain other aliens; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado (by request):

S. 2759. A bill to amend the Civil Aeronautics Act of 1938 with respect to the regulation of domestic air transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER:

S. 2760. A bill to amend the Social Security Act to provide unemployment benefits for Federal employees, and for other purposes; to the Committee on Finance.

S. 2761. A bill to promote a better public understanding of the pertinent facts concerning leprosy; to extend opportunities to obtain treatment, vocational rehabilitation, and employment to persons afflicted with this disease; to discourage use, by Federal agencies, and all outside organizations and individuals, of the word "leper"; to provide for essential medical research on leprosy; to establish a National Advisory Council on Leprosy; and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2762. A bill to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, in the granting of hospitalization and out-patient treatment by the Veterans' Administration; to the Committee on Labor and Public Welfare.

S. 2763. A bill to provide for the erection of a memorial to the enlisted men of the Medical Department of the Army who served in World War II; to the Committee on Rules and Administration.

By Mr. PEPPER (for himself and Mr. HOLLAND):

S. 2764. A bill to provide for the creation of a memorial park at Tampa in the State of Florida, to be known as the Spanish War Memorial Park, and for other purposes; to the Committee on Interior and Insular Affairs.

(Mr. MALONE introduced Senate bill 2765, to amend certain provisions of the Securities Act of 1933, and section 3 of the Securities and Exchange Act of 1934, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

#### AMENDMENT OF NATURAL GAS ACT

Mr. JOHNSON of Texas. Mr. President, I introduce for appropriate reference a bill which will subject interstate natural gas companies to further regulation in the public interest and the interest of both investors and consumers.

The bill would amend the Natural Gas Act to prohibit the issuance of securities by natural gas companies without the prior approval of the Federal Power Commission.

At present, the Commission can scrutinize the initial financing of natural gas facilities as part of the power for issuing certificates of public convenience and necessity. But there this scrutiny ends.

There is no scrutiny of financing undertaken prior to an application for a certificate nor for refinancing after the certificate has been issued. Thus, there is a regulatory gap in which neither the States nor the Federal Government have authority.

I do not think it is in the public interest for such a regulatory gap to remain open inviting the disaster of ill-advised financing.

Securities of interstate natural gas companies are marketed widely to many investors throughout the Nation. Since their activities extend over many States, effective State regulation is difficult and often impossible. Under the circumstances, it is possible for securities to be issued on the basis of asset values which have no reasonable relationship to present or prospective earning power. So the way is open to the dumping of excessively speculative securities in commerce. This leads to burdensome capital structures which prevent voluntary and justified rate reductions for the consumers. We don't want the consumer to be penalized by our negligence in providing—or failing to provide—incomplete and inadequate regulation.

I am advised that such evils do not now exist in the interstate gas industry, but the history of the electric utility industry provides us with some horrible examples of evils arising from such a situation. We had to pass the Public Utility Holding Company Act of 1935 to meet that situation, and the Securities and Exchange Commission has spent the past 15 years repairing the damage caused in the electric utility industry by the wild, unregulated period ending in 1932.

An ounce of prevention is worth a pound of cure. This bill I am introducing represents an ounce of prevention which will make a more drastic future cure unnecessary.

The bill (S. 2746) to amend section 12 of the Natural Gas Act, as amended, was read twice by its title and referred to the Committee on Interstate and Foreign Commerce.

#### EAST COAST SHIP & YACHT CORP.—REFERENCE OF BILL TO COURT OF CLAIMS

Mr. BALDWIN submitted the following resolution (S. Res. 190), which was referred to the Committee on the Judiciary:

*Resolved*, That the bill (S. 620) entitled "A bill for the relief of the East Coast Ship & Yacht Corp.," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal, or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

#### READJUSTMENT OF POSTAL RATES—AMENDMENT

Mr. JOHNSTON of South Carolina submitted an amendment intended to be proposed by him to the bill (S. 1103) to

readjust postal rates, which was ordered to lie on the table and to be printed.

#### EDUCATIONAL FUNCTIONS OF FEDERAL GOVERNMENT IN SINGLE AGENCY—AMENDMENTS

Mr. MORSE submitted amendments in the nature of a substitute, intended to be proposed by him to the bill (S. 656) to coordinate the educational functions of the Federal Government in a single agency; to define its organization, powers, and duties; and for other purposes, which was referred to the Committee on Labor and Public Welfare and ordered to be printed.

#### AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENTS

Mr. PEPPER submitted amendments intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which were ordered to lie on the table and to be printed.

#### HOUSE BILL REFERRED

The bill (H. R. 2585) to amend the Tariff Act of 1930 to provide for exemption from duty of certain metallic impurities in tin ores and concentrates when such impurities are not recovered, was read twice by its title, and referred to the Committee on Finance.

#### SURVEY OF LEGISLATION PASSED BY THE SENATE IN THE EIGHTY-FIRST CONGRESS, FIRST SESSION

Mr. LUCAS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a survey or summary of the principal legislation passed by the Senate during the Eighty-first Congress, first session. I also ask that the summary be printed as a Senate document.

Mr. WHERRY. I appreciate the observation by the distinguished Senator, and I am not going to object to it. I think it should be done, on the basis on which it has always been done heretofore.

Mr. LUCAS. It is in accordance with the custom which has been followed for a long time.

The VICE PRESIDENT. Is there objection?

There being no objection, the summary was ordered to be printed in the Appendix, and also to be printed as a Senate document.

#### LEAVE TO PRINT FOLLOWING FINAL ADJOURNMENT

Mr. LUCAS. I also ask unanimous consent that Senators be given leave to have matters printed in subsequent issues of the Appendix of the RECORD, following the adjournment of Congress. That is the usual customary resolution.

The VICE PRESIDENT. Without objection it is so ordered.

#### REORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT—ADDRESS BY SENATOR McCLELLAN

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD a radio address in the nature of a progress report on the Hoover Commission recommendations, delivered by Senator McCLELLAN, October 14, 1949, which appears in the Appendix.]

**CELEBRATION OF SEVENTY-FIFTH ANNIVERSARY OF WELLESLEY COLLEGE—ADDRESS BY SENATOR GRAHAM**

[Mr. O'CONNOR asked and obtained leave to have printed in the RECORD the address delivered by Senator GRAHAM on the occasion of the seventy-fifth anniversary celebration of the founding of Wellesley College, which appears in the Appendix.]

**THE USAGE OF FERTILIZERS AND TAG INFORMATION—ADDRESS BY FRED J. WOODS**

[Mr. HOLLAND asked and obtained leave to have printed in the RECORD an address entitled "The Usage of Fertilizers and Tag Information," delivered by Fred J. Woods, before the Florida County Agents' Association at the annual agricultural extension conference, Gainesville, Fla., October 19, 1949, which appears in the Appendix.]

**NANTUCKET SOUND DISASTER—ARTICLES BY STANLEY EAMES**

[Mr. LODGE asked and obtained leave to have printed in the RECORD two articles by Stanley Eames, regarding the recent Nantucket Sound disaster, which appear in the Appendix.]

**MAINE'S VETERANS' LAWS**

[Mrs. SMITH asked and obtained leave to have printed in the RECORD a résumé of Maine's veteran laws, as compiled by John S. McPherson, National Service Officer of the Disabled American Veterans, Togus, Maine, which appears in the Appendix.]

**FEDERAL CHARTERS TO SAVE FREE ENTERPRISE—ARTICLE BY SENATOR O'MAHONEY**

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an article prepared by him, entitled "Federal Charters to Save Free Enterprise," recently published in the Wisconsin Law Review, which appears in the Appendix.]

**AID FOR THE PHYSICALLY HANDICAPPED—ADDRESS BY SENATOR NEELY**

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Senator NEELY at the fifth annual observance of National Employ the Physically Handicapped Week luncheon on October 3, 1949, which appears in the Appendix.]

**HOOSIER SALESMAN—ARTICLE ON SENATOR CAPEHART**

[Mr. ECTON asked and obtained leave to have printed in the RECORD an article entitled "Hoosier Salesman," referring to Senator CAPEHART, published in the Reporter magazine of October 25, 1949, which appears in the Appendix.]

**WORLD GOVERNMENT—STATEMENT BY CORD MEYER, JR.**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an address on World Government by Cord Meyer, Jr., which appears in the Appendix.]

**NEW YORK HERALD TRIBUNE FORUM**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD the program of the New York Herald Tribune Forum, which appears in the Appendix.]

**BASING POINT LEGISLATION**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article on basing point legislation, by W. K. Kelsey from the Detroit News of October 18, 1949, which appears in the Appendix.]

**PANDIT NEHRU VISITS US**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial

entitled "Pandit Nehru Visits Us," from the Washington Evening Star of October 12, 1949, which appears in the Appendix.]

**NEHRU'S PROSPECTUS FOR INDIA'S ECONOMY—ARTICLE BY THOMAS P. KROCK**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Nehru's Prospectus for India's Economy," by Thomas P. Krock, from the Washington Post of October 14, 1949, which appears in the Appendix.]

**NEHRU VIEWS ASIATIC PACT AS PREMATURE**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Nehru Views Asiatic Pact as Premature" by Ferdinand Kuhn, from the Washington Post of October 15, 1949, which appears in the Appendix.]

**NEHRU'S VISIT**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Nehru's Visit," from the Washington Post of October 15, 1949, which appears in the Appendix.]

**ATOMIC ENERGY—STATEMENT BY HARRISON BROWN**

[Mr. McMAHON asked and obtained leave to have printed in the RECORD a statement regarding atomic energy by Harrison Brown, of the Institute of Nuclear Studies, University of Chicago, which appears in the Appendix.]

**CHALLENGE TO FREEDOM—ADDRESS BY WALTER W. CENERAZZO**

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an address entitled "Challenge to Freedom," delivered by Walter W. Cenerazzo, national president, American Watch Workers Union, before the Illinois-Eastern Iowa District Convention of Kiwanis International, at Chicago, Ill., on September 20, 1949, which appears in the Appendix.]

**FEDERAL CHARTERS TO REGULATE BUSINESS?—INTERVIEW WITH SENATOR O'MAHONEY**

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an interview on Federal charters engaged in by himself with the editors of United States News and World Reports, published in the issue of October 14, 1949, which appears in the Appendix.]

**ADDRESS BY THE VICE PRESIDENT AT THE AIRPORT REDEDICATION, BARKLEY FIELD, PADUCAH, KY.**

Mr. CHAPMAN. Mr. President, it was my pleasure and privilege recently to witness a remarkable demonstration by some 15,000 citizens of Kentucky, Missouri, Tennessee, Illinois, and Indiana, in a magnificent tribute to a beloved Kentuckian and eminent American statesman, the Vice President of the United States. It was primarily a personal tribute by citizens of western Kentucky to an illustrious native son. The airport of Paducah, the Vice President's home city, was renamed Barkley Field in honor of the distinguished President of the Senate, ALBEN W. BARKLEY. I ask unanimous consent to have included at this place in the RECORD the able, interesting, and informative address which Vice President BARKLEY delivered on that memorable occasion.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am profoundly grateful for the signal honor done me by the city of Paducah and the county of McCracken in the naming of this airport as Barkley Field. It was a thing of pleasure for me to collaborate with the city and county authorities and the Federal Government in the establishment of this airfield, and, of course, I share with you the sincere hope that it may become increasingly useful to air transportation and to the community, of which Paducah is the center.

When I consider the location of the airport and my long residence in McCracken County from boyhood, and my association with former owners of the tracts now included in the airfield and with the people of McCracken County generally over a period of half a century, many precious memories arise in my mind when I compare what has happened, not only to us, but to all the world, during the period of which I speak.

I wish also to thank the junior chamber of commerce for its gracious act in arranging this celebration and dedication. This is but an example of the service they seek to render to the city of Paducah and the entire community in western Kentucky.

The story of aviation is a thrilling chapter in the history of travel and transportation, and in the history of warfare as well.

Forty-five years ago last December 17 the first flight of an airship was made by the Wright brothers, Wilbur and Orville Wright, at Kitty Hawk, N. C. It is difficult to realize that in such a short span of time, compared to the life of the world or of its inhabitants—no more than half of a long lifetime—has elapsed since man was not only unable to fly, but even ridiculed the very idea that such a thing would be possible.

In fact, a very learned astronomer and physicist had, less than 2 months before the Wright brothers' first flight, published an article stating conclusively that flying with a machine heavier than air was an impossibility. At the very moment when this statement was being distributed Wilbur and Orville Wright were preparing their machine for its first trials.

After three seasons at Kitty Hawk, during which the Wrights perfected their gliders, they were ready to attempt power flight. Late in September of 1903 they set out again for Kitty Hawk, assembled the new machine with the engine and propellers which they had developed and built in Dayton, and started the tests and adjustments necessary for an actual flight.

The morning of December 17, 1903, dawned with a bitter wind blowing over the desolate sand dunes of that isolated stretch of North Carolina coast. Puddles of rain water standing in hollows about their camp were covered with ice. Not very auspicious weather for a first flight in a strange machine, but the Wright brothers had for some time been feeling a nostalgic longing to be home in Dayton for Christmas. They waited for improvement in the weather as long as their impatience would allow, but the strong, cold wind of this day held steady, and at 10 o'clock they made up their minds—they would make the trial regardless of the weather.

Before an audience of three men from the Kill Devil Lifesaving Station, one other man, and a boy, preparations for the trial were completed, although with difficulty because of the biting wind. Under their arrangement of taking turns at tests, the first trial fell to Orville, and he took his place in the machine. It was a dramatic moment in the history of the world, but it is doubtful if those present realized its significance. The motor roared, the two propellers whirled, the wire holding the airplane was released, and



the machine started slowly forward on its launching track. After a 40-foot run it lifted into the air and took off in the first successful power-driven flight in all history. The first flight covered 120 feet and ended without mishap. To quote Orville Wright's own words in his written account:

"The flight lasted only 12 seconds, but it was nevertheless the first in the history of the world in which a machine carrying a man had raised itself by its own power into the air in full flight, had sailed forward without reduction of speed, and had finally landed at a point as high as that from which it started."

With Orville and Wilbur Wright alternating as pilots, three other flights were made to greater distances on that memorable occasion.

On the 17th of last December I was honored by the invitation to participate in the ceremony accepting for the people of America the very same machine that proved on these wind-swept dunes that man was not barred by natural law from the air lanes overhead.

The idea for a great separate National Air Museum, originating with General Arnold, distinguished commander of the Army Air Forces during the late war, was made a reality by Congress when it passed a bill establishing such a bureau under the Smithsonian Institution. This was approved by the President on August 12, 1946, 100 years and 2 days after the act of 1846 that established the Smithsonian itself. The collections in aviation assembled by the far-sighted policy of the Smithsonian, and the generous participation of many public-spirited Americans is now in the custody of the National Air Museum.

General Arnold knew, better than most, the swift pace of change and development in aircraft, and saw that unless provision was made for preservation of important types, they would be thrown aside as they were superseded and thus be lost to future generations of students and engineers.

Response of the Air Forces, the Army, and the Navy, of aircraft manufacturers, and of others who have been approached in the interests of preventing loss of valuable specimens, has been most generous and gratifying. And a large amount of vitally important aeronautical material is now in hand awaiting a suitable building for its preservation. This will include the present collection as an epitome of the development of human flight, beginning with the earliest experiments, and continuing to turbo-jet and rocket planes of this modern day, with provision for expansion into the unpredictable imaginings of the scientists and engineers of tomorrow.

Events of the moment often may not be evaluated as to their effect on the future until the passage of years. It has been a far cry from the assembly of strips of woods, of canvas and of metal by two enthusiastic and inspired young men in Dayton, to the great research laboratories in aviation of the Government and of private industry today where thousands of persons are employed, or to the vast factories for the assembly of modern aircraft under a capital investment of many millions of dollars. And equally far from the first flight of the Wright brothers along the sea-level dunes of Kitty Hawk to modern air travel in the upper air. Yet, all this has come in the period of less than half a century.

Besides providing a new and faster means of travel, the airplane today is doing all sorts of jobs that would have exceeded the wildest flights of fancy in aviation's early days. Planes equipped with special devices during the late war sprayed whole islands in the Pacific theater with insecticide, making these malaria-infested areas safe from a health standpoint for American soldiers. In peacetime, large acreages of cotton and other crops are likewise treated by airplanes to control insect damage. Airplanes serve as flying ambulances; aid in forest-fire control; fly

mercy missions in the far north and elsewhere, wherever emergency medical and other supplies are needed; do rescue jobs on land and sea; speed emergency mail and freight to their destinations; and perform many other services too numerous to mention.

Their wartime service is too well known to need comment. Orville Wright, however, did not like to think of the airplane as an instrument of destruction. He preferred to consider its prime function that of linking the nations of the earth together—of making the peoples of the world better known to one another, and thus eventually an aid in achieving peace on earth.

If, at the time of that historic event of 45 years ago, the possibility of human flight was unbelievable, life today without air transport is equally unthinkable. Phenomenal progress has been made in safety, speed, carrying capacity, distances flown, and all other aspects of air travel. In 1946, the year the National Air Museum was established, 31 domestic air lines in the United States of America flew more than 327,000,000 air miles and carried over 12,000,000 passengers. Did the Wright brothers envision the growth of such a colossus on that cold December day at Kitty Hawk in 1903? Or did they foresee the push-button flying that last year enabled a pilotless plane to traverse the Atlantic with no human hands at the controls; the penetration of the supersonic barrier at speeds beyond that of sound; or the blind flying and landing controlled by radar and other devices? Undoubtedly they did not, but they did see what most other men of their time could not see—the possibility of human flight—and they had the courage and perseverance to make their dream come true.

In their studies and experiments Wilbur and Orville Wright solved the problems of control in flight, designed an efficient propeller, and built their own four-cylinder gasoline engine sufficiently light in weight to serve their purpose. Many of their experiments were made in an ingenious wind tunnel with which they worked for months investigating aerodynamic forces on glider wings of different types. Through these careful scientific investigations came their success.

The late Dr. George W. Lewis, for 25 years Director of Aeronautical Research for the National Advisory Committee for Aeronautics, in speaking on the fortieth anniversary of the first flights, made the following important statement:

"Naturally there is a great difference between the scientific research equipment and techniques of today, and those of 1903. However, the philosophy and technical approach today follows a pattern laid down by the Wright brothers four decades ago. Aeronautical progress now is but a continuation of their work. For this guidance, we should be everlastingly appreciative."

All Americans and all liberty-loving peoples have been thrilled during the last year by the marvelous work of the Berlin airlift, conducted by American and British aviators, with some assistance from the French. For one whole year a city of 2,500,000 people were fed and clothed and warmed by this incredible service of the airplanes in the cold war, forced upon us by the Soviet Union. For the time being the tenseness of this situation has been somewhat relieved, but it is a glorious thing for Americans to realize they had the ingenuity and courage to overcome what was thought to be an insuperable obstacle to the preservation of the life of the people of a great city which had been practically destroyed by the ravages of war.

When I was in Berlin during last Christmas, I was thrilled by the knowledge that out of their meager pay the American soldiers, in and out of the Air Force, contributed to the enjoyment of Christmas dinner by 2,000,000 German children. This dem-

onstrated that the American soldier retains his humanity and his sense of proportion and propriety in his uniform, as well as in his civilian garb.

We hail aircraft as an instrument of greater knowledge of the conditions existing in the world. We hail it as a source of defense in time of war, if war should come. We hail it as a means of transportation and travel, and the shipment of mail and freight during times of peace. Since the end of the war, I have myself crossed the Atlantic Ocean 14 times by air to attend international conferences and on other phases of public business.

I am sure you share the hope that I am bold enough to express that someday the airplane and all that it implies, and all that it may produce, shall work toward the cementing of the nations and the peoples of the world for peace and harmony and the development of their natural resources, and their individual and collective aspirations.

And I congratulate the city of Paducah and the county of McCracken and all those who have had a part in the development of this beautiful airfield here in our midst, and I wish for it that development and expansion in the future which will make our community a center of travel, of culture, and of human understanding.

#### PROCEDURES FOLLOWED BY TERRITORIES IN CONNECTION WITH ADMISSION INTO THE UNION

Mr. CORDON. Mr. President, the Territory of Hawaii, through its Territorial legislature, has passed an act providing for the holding of a constitutional convention in the Territory. At first thought, one might feel that act was most unusual, inasmuch as there has been no action by the Congress of the United States to provide for admission of the Territory of Hawaii to statehood. However, Mr. President, as a matter of fact, that act is in line with precedent. Fifteen of the Territories of the United States called constitutional conventions and adopted their constitutions in advance of any congressional action leading to statehood. Not many persons, I suspect, are aware of that fact. Those States are Arkansas, California, Florida, Idaho, Iowa, Kansas, Kentucky, Maine, Michigan, my own State of Oregon, Tennessee, Vermont, Texas, West Virginia, and Wyoming.

The Territory of Hawaii, through its legislative reference bureau, has made a digest in reference to this particular matter. I believe the digest is very informative and instructive. Therefore, I ask unanimous consent to have it printed at this point in the RECORD as a part of my remarks, for the benefit of those who may be interested in the subject.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

#### PROCEDURES FOLLOWED BY STATES ADMITTED INTO THE UNION WITHOUT CONGRESSIONAL ENABLING ACTS

Fifteen States<sup>1</sup> have entered the Union without the aid of enabling acts. As a result of popular and official sentiment in favor of statehood and of the failure of Congress to pass enabling acts in their cases, these States successfully pressed for statehood without this prior authorization. In the typical case, the Territorial government proceeded

<sup>1</sup> Arkansas, California, Florida, Idaho, Iowa, Kansas, Kentucky, Maine, Michigan, Oregon, Tennessee, Vermont, Texas, West Virginia, and Wyoming.

to call for an election of delegates to a convention for the purpose of forming a constitution and a State government. Upon drafting a constitution this document was submitted to the people of the Territory for ratification, and upon receiving a favorable vote was forwarded to the Congress of the United States for approval with the petition that the Territory be admitted into the Union as a State. In the case of each of the States referred to congressional approval was obtained in the form of an act of admission which either granted statehood immediately, or was conditioned upon the acceptance by the people of the Territory of certain requirements specified in the act. Two States<sup>2</sup> as early as 1791 and two others<sup>3</sup> as recently as 1890 acquired statehood through congressional acts of admission after drafting constitutions in the absence of enabling acts.

#### CALLING OF CONVENTION

In at least five<sup>4</sup> of the States the constitutional convention was called by the terms of an act of the Territorial legislature. The States of Kentucky and Maine were erected out of territory lying within the borders of Virginia and Massachusetts, respectively, and the election of delegates to a constitutional convention in their cases resulted from acts passed by the General Assembly of Virginia and the General Court of Massachusetts, which granted permission to the people in Kentucky and Maine to proceed in petitioning Congress for recognition as separate States. In four States<sup>5</sup> the constitutional convention was called by gubernatorial proclamation. In West Virginia the constitutional convention was held pursuant to the provisions of an ordinance passed by the Second Convention of the People of Northwestern Virginia which was created after the State of Virginia seceded from the Federal Union.<sup>6</sup>

These acts of Territorial and State legislatures, gubernatorial proclamations, and the convention ordinance in West Virginia set the date for the election of delegates to a constitutional convention and specified the time and place for the convention. Generally they described the election procedure to be followed, the qualifications of voters, and included provision for the apportionment of members to the constitutional convention.

#### ORGANIZATION OF CONVENTION

The delegates after assembling at the appointed time and place, in each case proceeded to organize the convention and form a constitution and a State government. After completing the work of drafting a State constitution this document in the case of at least 11<sup>7</sup> of the States was submitted to the people for ratification or rejection in accordance with the requirements of the acts or proclamations calling the convention, or by direction of the convention itself. Following ratification, the constitution and supporting documents were forwarded to the National Government for approval and an attempt made to obtain speedy admission into the Union.

#### PRESENTATION OF CONSTITUTION TO CONGRESS

There was no uniformity in the manner in which the State constitutions were presented to the National Government. In some cases they were submitted to the Congress. In Iowa, for example, the act of the Territorial legislature calling the constitutional conven-

tion specified "that said constitution and form of State government shall, if ratified at the election specified in the fifth section of this act, be presented to the Congress of the United States, at the next ensuing session thereof, for admittance into the Union upon an equal footing with the original States."<sup>8</sup> But in Florida it was provided "that on the adoption of a constitution for the State of Florida, the convention shall transmit an authenticated copy thereof to the President of the United States, to the Presiding Officer of both Houses of Congress, and to the Delegate from Florida."<sup>9</sup> California affords an example of still another method. According to one source,<sup>10</sup> provision was made by the constitutional convention for transmittal to the military commander and de facto Governor of California of a copy of the constitution with the request that he forward this copy to the President of the United States.

#### CONGRESSIONAL ACTION

The action taken by the National Government in the cases of the different States varied with the temper of the Congress and the President and with the conditions in the Nation at the time the different applications for statehood were made. Seven States<sup>11</sup> obtained outright approval of their constitutions and were unconditionally admitted into the Union on an equal footing with the other States by acts of Congress approved by the President. Texas was admitted by a joint resolution of Congress passed on December 29, 1845.<sup>12</sup> The others were granted statehood but the acts of admission in each case specified that statehood would become effective upon the acceptance by the people of these States of certain conditions enumerated in the acts. Generally, these conditions were concerned with the disposition of public lands. In Michigan's case the condition precedent to full statehood involved popular acceptance of the congressional settlement of the boundary controversy between Michigan and the State of Ohio.<sup>13</sup> West Virginia was required to amend its constitution to provide for the gradual abolition of slavery.<sup>14</sup> None of these States, however, was refused admission into the Federal Union on account of its forming a constitution and State government without the prior authorization of a congressional enabling act.

Two other matters of importance remain to be considered. One is related to the status of the areas petitioning for statehood between the time they adopted constitutions and the time they were admitted into the Union. The other is concerned with the financing of the conventions that formed the constitutions and the State governments.

<sup>2</sup> Ch. 37, sec. 3, of an act of the Council and House of Representatives of the Territory of Iowa, providing for the election of delegates to a convention to form a constitution and State government approved January 17, 1846.

<sup>3</sup> Sec. 9 of "An act to call a convention for the purpose of organizing a State Government"; passed January 30, 1838; approved February 2, 1838; Enrolled Acts, 1838; printed acts, 1888, pp. 8, 9; DuVal's Compilation, pp. 433, 434, as cited by the Florida State Library, Florida Becomes a State. Tallahassee: Florida Centennial Commission, 1945, pp. 119-122.

<sup>4</sup> Browne's Debates in the Convention of California, 1850, p. 473, as cited by Rockwell Dennis Hunt, The Genesis of California's First Constitution (1846-49). Baltimore: The Johns Hopkins Press, 1895, p. 53.

<sup>5</sup> Florida, Idaho, Kentucky, Maine, Tennessee, Vermont, and Wyoming.

<sup>6</sup> 9 Stat. L. 108. Texas was an independent republic prior to the time of admission into the Union and acquired statehood at the time of its annexation to the United States.

<sup>7</sup> 5 Stat. L. 49-50; June 15, 1836.

<sup>8</sup> 12 Stat. L. 633; Dec. 31, 1862.

#### INTERIM STATUS

Nine<sup>15</sup> of the areas mentioned were organized Territories prior to their admission into the Union. Four States<sup>16</sup> were erected from the territory within the jurisdiction of other States. California was an unorganized area under the supervision of a United States military commander who served as de facto governor, and Texas was an independent republic. Usually, the government that was functioning in the Territory at the time statehood was petitioned for, continued to exercise its jurisdiction until the Territory was admitted as a State and a State government established under the approved constitution. California, Michigan, Oregon, and Tennessee provide exceptions to this general rule.

In California, the constitution was approved by the people at an election held on November 13, 1849, and at the same time a governor, lieutenant governor, members of the legislature and other State officers were elected.<sup>17</sup> The first legislature met at San Jose on December 15, 1849, authorized a loan of \$200,000<sup>18</sup> and provided for a system of taxation.<sup>19</sup> The legislature passed an act fixing the jurisdiction of the courts and rather comprehensive acts governing criminal and civil procedure.<sup>20</sup> The State was organized and began to function exactly as though it were a part of the Union. The legislature elected Senators to the United States Senate and sent them with Representatives to Washington to urge the admission of California into the Union as a State.<sup>21</sup> This was followed by the passage of an act of admission which was approved by the President on September 9, 1850.<sup>22</sup>

In Michigan the constitution was ratified by the people at an election held in October 1835. At the same time, under the authorization of the constitutional convention the people elected a complete slate of State officers and directed these officials to proceed to organize the government of the proposed State. In addition to these State officers, a representative to Congress was elected, and the State legislature when it convened on November 2, 1835, the date set by the constitution, elected two United States Senators. No general legislative program was undertaken at this time, and the legislature adjourned on November 14. On February 1 of the following year the legislature reconvened and continued its deliberations through the months of February and March but failed to take any determined action either in regard to enacting a program of legislation or to advancing the cause of statehood. The controversy over the admission of Michigan by this time was centered in the dispute with the State of Ohio over the location of the southern boundary. The act of Congress approved June 15, 1836 (5 Stat. L. 49-50), admitting Michigan into the Union settled the boundary between Michigan and Ohio and made acceptance of

<sup>15</sup> Arkansas, Florida, Idaho, Iowa, Kansas, Michigan, Oregon, Tennessee, and Wyoming.

<sup>16</sup> Kentucky was within the borders of the State of Virginia; Maine in Massachusetts; Vermont in New York; and West Virginia in Virginia.

<sup>17</sup> Bancroft, History of California, XXIII, 311-314, as cited by the California State Senate, Constitution of the State of California, compiled by Paul Mason, Sacramento; California State Printing Office, 1947, pp. 316-317.

<sup>18</sup> Journals of the California Legislature, 1850, pp. 630, 640, 650, as cited by the California State Senate, op. cit., pp. 316X317.

<sup>19</sup> Statutes of 1850, p. 54, as cited by the California State Senate, op. cit., pp. 316-317.

<sup>20</sup> Statutes of 1850, p. 275, as cited by the California State Senate, Idem, pp. 316-317.

<sup>21</sup> Ibid., pp. 316-317.

<sup>22</sup> 9 Stat. L. 452.

<sup>2</sup> Kentucky and Vermont.

<sup>3</sup> Idaho and Wyoming.

<sup>4</sup> Florida, Iowa, Michigan, Oregon, and Tennessee.

<sup>5</sup> California, Idaho, Texas, and Wyoming.

<sup>6</sup> See Lewis, Virgil A. How West Virginia Was Made. Charleston: News-Mail Co., 1909.

<sup>7</sup> California, Florida, Idaho, Iowa, Kansas, Maine, Michigan, Oregon, Texas, West Virginia, and Wyoming.



this settlement by the people of Michigan acting through their delegates in convention as the condition precedent to the admission of Michigan as a State. The legislature met again on July 11, 1836, to deliberate on the question of a constitutional convention. Legislation was enacted providing for an election of delegates to a convention to consider the matter presented by the act of Congress, and thereafter, the legislature left the work of achieving statehood to the conventions that were elected for this purpose. The second convention elected finally accepted the boundary settlement made by Congress and the message of its assent was forwarded to the President who submitted it to Congress. An act (5 Stat. L. 144) was then passed by Congress and approved by the President on January 26, 1837, admitting Michigan into the Union as a State.<sup>23</sup>

Oregon followed a course of action similar to California and Michigan. The constitution formed by the constitutional convention was submitted to and ratified by the people of Oregon at an election held on November 9, 1857. Schedule 6 of the constitution anticipating early action by Congress admitting Oregon as a State provided that should the constitution be ratified a special election should be held on the first Monday in June 1858 for the election of members of the legislative assembly, a Representative to Congress, and State and county officers. It provided further, that a special session of the State legislative assembly should be convened on the first Monday of July 1858 which should proceed to elect two Senators to the United States Senate and make other provisions as necessary to complete the organization of the State government. Action was taken pursuant to the provisions of this schedule, and in addition to electing a full list of State officers there were elected a Territorial governor and members of the house and council of the Territorial legislature. Although congressional assent to admission was not forthcoming the State legislature assembled at Salem on July 5, 1858. The session, however, lasted only 4 days and practically nothing was accomplished except the election of two United States Senators. An abortive effort was made on September 13, 1858, to assemble the State legislature, but doubt was expressed as to the legality of its existence and as few members appeared for the session it was adjourned sine die. The question remained as to which of Oregon's two governors was in authority and this was settled by the acquiescence of the State governor to the Territorial governor's continuing to function. On December 6, 1858, the last Territorial legislature assembled pursuant to the old provisions of Territorial law. The act conditionally admitting Oregon into the Union (11 Stat. L. 383) was passed by Congress and approved by the President on February 14, 1859. When news of this event reached Oregon, the State governor called the State legislature into special session to consider the conditions precedent to admission. The legislature convened on May 16, 1859, accepted the conditions and ad-

joined on June 4, 1859. The first regular session of the Oregon State Legislature did not convene until September 10, 1860.<sup>24</sup>

In regard to the experience of Tennessee while in interim status one writer has said: "Conceiving that by the adoption of the constitution a State had been brought into being capable of acting before and regardless of admission into the Union, the president of the convention was directed to issue writs for the election of a governor and members of a general assembly. John Sevier was elected Governor and the first general assembly met at Knoxville on March 28, 1796. William Blount and William Cocke were elected by the general assembly as Senators in the Federal Congress. Two districts were laid off from which two Representatives in the lower House of Congress should be elected in August following. Four Presidential electors were chosen: Joseph Greer, Daniel Smith, Hugh Nielson, and Joseph Anderson. A number of statutes of general and permanent nature were passed, and a corps of State officials were elected. The session lasted 20 days and covered a part of the period in which Congress had under consideration the admission of the State."<sup>25</sup>

Four months after the State government was formed, Congress passed an act<sup>26</sup> admitting Tennessee into the Union and this was approved by the President on June 1, 1796.

#### FINANCING THE CONSTITUTIONAL CONVENTIONS

The constitutional conventions in five of the States<sup>27</sup> were financed by funds appropriated for this purpose by the Territorial or State governments. The expenses of the convention in one State<sup>28</sup> were paid in full by moneys appropriated from the United States Treasury, and in the case of another State,<sup>29</sup> these expenses were defrayed both by Federal and Territorial funds. No information was obtainable on the payment of the expenses of the constitutional conventions in the other States but in the absence of any evidence of a Federal appropriation having been made therefor, it appears that these expenses were assumed by their Territorial or State governments.

In California the members of the constitutional convention voted themselves a \$16 per diem allowance and \$16 for every 20 miles of travel. The president was compensated by a per diem allowance fixed at \$25.<sup>30</sup>

The other officers of the convention were provided for by per diem allowances ranging from that of the secretary at \$28 to that of the page at \$4.<sup>31</sup> Ten thousand dollars was voted to the stenographic reporter under a contract to furnish printed copies of the convention proceedings.<sup>32</sup>

In Florida the law enacted by the Territorial legislature calling the constitutional convention provided "that the members of the convention shall receive as compensation the same rates as then allowed to members

of the legislative council and that the expenses of the convention shall be paid out of the Territorial treasury if no appropriation shall be made by Congress for that purpose."<sup>33</sup> At that time members of the Territorial council received \$3 each per day during their attendance in council and \$3 for every 20 miles traveled, to be estimated from the member's place of residence to and from the seat of government.<sup>34</sup> Although not determined conclusively, it appears that the expenses of the convention, which amounted to \$20,000, were paid by the Territorial government. The 1839 session of the legislative council passed a revenue measure increasing the tax rates on land and slaves in order to provide additional revenues needed to defray the increased obligations of the Territorial government, which included the expense of the constitutional convention.<sup>35</sup>

The law of the Territory of Iowa calling a constitutional convention provided, in part, "that the members of said convention be entitled to \$3 for every 20 miles traveled to and from the place of holding said convention, and \$3 per diem for their services, to be paid in the way and manner as may hereafter be provided for the legislative assembly of the Territory or State of Iowa."<sup>36</sup> In the following year the general assembly of the State of Iowa directed that the auditor of State be required to audit and allow the expenses incurred by the convention and that certificates of the amount of these expenses, signed by the president of the convention and countersigned by its secretary, be taken as conclusive evidence of indebtedness to the holder. The auditor was further required to issue his warrant upon the treasurer of the State for the amount specified in the certificates.<sup>37</sup>

It appears that the expenses of the Michigan constitutional convention, including the services performed by the delegates, were paid out of the Territorial treasury. Section 1 of an act passed by the Territorial legislative council entitled "An act to defray the expenses of holding a convention to form a constitution and State government"<sup>38</sup> provided that "the mileage and pay of the delegates which may hereafter assemble for the purposes contemplated in the act entitled 'An act to enable the people of Michigan to form a constitution and State government,' approved January 26, 1835, shall be chargeable to and paid out of the Territorial treasury: *Provided*, That the convention assembled shall by resolution fix the daily pay and mileage to which delegates thereto shall be entitled; and the amount due each delegate shall be ascertained and paid from the Territorial treasury upon the certificate of the presiding officer of said convention." Section 5 of the same act<sup>39</sup> provided for the payment of the stationery, printing, and other contingent expenses of the convention, a sum not exceeding \$2,000 is hereby appropriated from the Territorial treasury, to be paid on the certificate of the presiding officer of the said convention. The convention, when convened to draft a constitution, did not

<sup>23</sup> State of Oregon, *The Oregon Constitution*, edited by Charles Henry Carey, Salem: State printing department, 1928, pp. 40-56.

<sup>24</sup> Samuel C. Williams, *The Admission of Tennessee Into the Union*, Nashville: The Tennessee Historical Commission, 1945, pp. 13-14. On p. 24 of this same work the author notes that the United States Senate refused to seat the Senators-elect from Tennessee and they were compelled to return home to seek reelection by the State legislature, Tennessee by this time having been admitted into the Union.

<sup>25</sup> 1 Stat. L. 491.

<sup>26</sup> By territory: Florida, Michigan, and Oregon; by State: Iowa; it is not clear in which category California falls.

<sup>27</sup> Idaho.

<sup>28</sup> Wyoming.

<sup>29</sup> Browne's *Debates in the Convention of California*, 1850, pp. 289-292, as cited by Rockwell Dennis Hunt, op. cit., p. 52.

<sup>30</sup> Idem, p. 52.

<sup>31</sup> Idem, p. 53.

<sup>32</sup> Sec. 10 of "An act to call a convention for the purpose of organizing a State government," passed January 30, 1838, approved February 2, 1838, Enrolled Act, 1838; Printed Acts, 1838, pp. 8, 9; DuVal's *Compilation*, pp. 433, 434, as cited by Florida State Library, op. cit., pp. 119-122.

<sup>33</sup> 4 Stat. L. 164.

<sup>34</sup> Florida State Library, op. cit., p. 68.

<sup>35</sup> Ch. 37, sec. 10, of "An act of the Council and House of Representatives of the Territory of Iowa, providing for the election of delegates to a convention to form a constitution and State government," approved January 17, 1846.

<sup>36</sup> Res. No. V of the General Assembly of the State of Iowa, approved January 7, 1847.

<sup>37</sup> Michigan Territorial Laws, III, 1410-1411.

<sup>38</sup> Ibid.

<sup>23</sup> Harold M. Dorr, *The Michigan Constitutional Conventions of 1835-36*, Ann Arbor: the University of Michigan Press, 1940, pp. 32-52. This writer adds that the action of the Territory of Michigan in electing a complete slate of State officers and representatives to Congress proved displeasing to the President who immediately placed another person in charge of Territorial affairs, the former Territorial Governor having been elected as Governor of the State of Michigan. The activation of the State government resulted in increased congressional opposition to statehood for Michigan and that body refused to admit or recognize the Senators and Representatives from Michigan. As no provision had been made in the last election for the selection of a Territorial delegate, Michigan found herself at this critical time without representation of any sort in Congress.

hesitate to exercise legislative powers. It fixed the compensation of its members and officials and appropriated money to defray the expense of fitting up the convention hall and to compensate persons for the use of committee rooms.<sup>40</sup>

In Oregon an effort was made by the Territorial legislature in February 1858, to procure from Congress an appropriation to pay for the expenses of the constitutional convention but this was unsuccessful. The Territorial legislature of 1858-59 finally passed a bill directing payment of the expenses of the convention.<sup>41</sup> This act<sup>42</sup> specified that the auditor of the Territory be required to examine, audit, and allow upon proper certification the expenses of the constitutional convention upon the basis of like expenses paid to members of the Territorial legislature for similar services. The treasurer of the Territory was authorized and required to pay upon the warrants of the auditor the sums, as audited, for per diem and mileage of the members, for printing, services of clerks and other employees, and for other incidental expenses of the convention.

Among the States considered in this report the two most recently admitted into the Union<sup>43</sup> were supplied with Federal funds to pay in full or in part the expenses of their constitutional conventions. In the case of Idaho, the congressional act<sup>44</sup> admitting Idaho into the Union included provision in section 15 for \$28,000 to be appropriated from the United States Treasury for the payment of the expenses of the constitutional convention. Members of the convention were reimbursed for their services pursuant to the terms of this section under the same rules and at the same rates as are now provided by law for the payment of Territorial legislatures and for elections held therefor and thereunder.

The constitutional convention in Wyoming was financed by both Territorial and Federal moneys. Through an act<sup>45</sup> passed by the council and house of representatives of the Territory of Wyoming and approved by the Territorial Governor on March 14, 1890, \$820.50 was appropriated from the Territorial treasury to pay the employees of the constitutional convention and an additional \$1,189.46 was appropriated to pay the costs of printing and other incidental expenses of the convention. Section 15 of the act of admission<sup>46</sup> in the case of Wyoming appropriated from the United States Treasury \$30,000 to defray the expenses of the convention and for the payment of the members thereof.

#### SUMMARY OF RESOLUTIONS RELATING TO THE UNITED NATIONS, WORLD FEDERATION, AND RELATED MATTERS

Mr. THOMAS of Utah. Mr. President, the chairman of the Foreign Relations Committee, the distinguished Senator

<sup>40</sup> Harold M. Dorr, op. cit., p. 16.

<sup>41</sup> Oregon State, op. cit., p. 37. See also note 16.

<sup>42</sup> From the laws of the Territory of Oregon enacted during the tenth regular session of the legislative assembly, begun December 8, 1858; concluded January 22, 1859, p. 40.

<sup>43</sup> Idaho on July 3, 1890, and Wyoming on July 10, 1890.

<sup>44</sup> 26 Stat. L. 215; July 3, 1890. In a proclamation made by the Territorial Governor of Idaho on May 11, 1889, it was stated that the convention will undoubtedly fix its own per diem and mileage and that of its employees. Their certificates of service and expenditure will be filed with the Territorial secretary, and Congress will doubtless follow its own precedents in providing for the payment thereof.

<sup>45</sup> Chapter 56 of the session laws of Wyoming, 1890.

<sup>46</sup> 26 Stat. L. 222; July 10, 1890.

from Texas [Mr. CONNALLY], has appointed me chairman of a subcommittee to handle and to hold hearings on all resolutions dealing with amendments to the United Nations and to other world organizations, including, of course, suggestions for world federation, and matters relating to it. The hearings will be held next January. Because of the general interest in the hearings and because of the fact that so many of the bills, resolutions, and other measures carry the names of many Senators, I ask unanimous consent that a summary or outline which I have prepared of the resolutions and other measures before the subcommittee be made a part of my remarks at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

#### SUMMARY OF RESOLUTIONS RELATING TO THE UNITED NATIONS, WORLD FEDERATION, AND RELATED MATTERS

The following resolutions have been referred to the subcommittee which has been set up to consider various measures pending before the Foreign Relations Committee dealing with the United Nations, the federation of Europe, and related matters. The members of the subcommittee are Senator THOMAS (Utah), chairman, Senator GREEN, Senator McMAHON, Senator WILEY, and Senator SMITH (New Jersey).

1. Senate Concurrent Resolution 12, introduced by Mr. FULBRIGHT and Mr. THOMAS of Utah on January 31, 1949, sets forth the principle that Congress favors the political federation of Europe. The resolution makes clear that there is no intention of imposing any particular form of political or economic association upon the people of Europe.

2. Senate Concurrent Resolution 52, introduced by Mr. THOMAS of Utah for himself and Mr. DOUGLAS on July 8, 1949, favors an agreement supplementary to the United Nations Charter, under which UN members would pledge themselves to come to the aid of the victim of attack—if the Security Council is prevented from fulfilling its duties—when requested by a two-thirds vote of the General Assembly, including three of the permanent members of the Security Council. The resolution reaffirms the faith of the Congress in the United Nations and requires that the proposed agreement: (1) shall be based on article 51 of the Charter and shall not in any way impair the right of self-defense; (2) shall provide for the forces each signatory is to maintain for the immediate use of the United Nations; (3) shall specify that those signatories, who are members of the Security Council, will take steps to remove from the agenda of the Security Council matters pertaining to a threat to or a breach of the peace, or act of aggression when the Security Council is prevented from fulfilling its duties; and (4) shall take effect when ratified by a majority of the United Nations including three permanent members of the Security Council.

3. Senate Concurrent Resolution 56, introduced by Mr. TOBEY for himself and 18 other Senators on July 26, 1949, resolves that it is the sense of the Congress that the United States should support and strengthen the United Nations, and should seek its development into a world federation open to all nations with limited powers adequate to preserve peace through the enactment and enforcement of world law.

4. Senate Concurrent Resolution 57, introduced by Mr. KEFAUVER for himself and 19 other Senators on July 26, 1949, requests the President to invite the democracies which sponsored the North Atlantic Treaty to name delegates to meet in a federal convention to

explore how far their peoples, and the peoples of such other democracies as the convention may invite to send delegates; can apply among them, within the framework of the United Nations, the principles of free federal union.

5. Senate Resolution 133, introduced by Mr. SPARKMAN for himself and 10 other Senators on July 8, 1949, proposes to implement the North Atlantic Treaty in part by revising the United Nations Charter so as to eliminate the veto and avert an armaments race. The resolution further provides for the creation of an international police force under the Security Council and the World Court. If these proposals are vetoed by a permanent member of the Security Council, a world pact for mutual defense is proposed within the United Nations open to all nations.

The resolution would also implement the North Atlantic Treaty by establishing an international contingent recruited from the smaller sovereign states, and stationed either in western Germany or in the smaller states, which would act as auxiliary to the national armed forces of the participating member states. It would be equipped by the military assistance program contemplated under article 3 of the North Atlantic Treaty and would be organized and commanded by the special defense committee to be established under article 9. The committee could act only on the affirmative vote of six of the seven member states.

6. Senate Resolution 134, introduced by Mr. FLANDERS and Mr. TAFT on July 14, 1949, urges the President to extend the Monroe Doctrine to western Europe on such terms as will best meet the present emergency and serve as a continuing support for the objectives of the United Nations.

#### STATEMENT OF THE INVESTIGATIONS SUBCOMMITTEE OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HOEY. Mr. President, I ask unanimous consent to insert in the Appendix of the edition of the RECORD which is to be printed following the adjournment, a statement on behalf of the Subcommittee on Investigations of which I am chairman, of the Committee on Expenditures in the Executive Departments.

The VICE PRESIDENT. Without objection, it is so ordered.

#### HOSPITAL FOR TREATMENT OF INDIANS AT ALBUQUERQUE, N. MEX.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2404) authorizing an appropriation for the construction, extension, and improvement of a county hospital at Albuquerque, N. Mex., to provide facilities for the treatment of Indians, which were on page 4, to strike out lines 8 to 25, inclusive, and on page 5, strike out lines 1 to 13, inclusive; on page 5, line 14, strike out "Sec. 3" and insert: "Sec. 2", and on page 7, line 21, strike out "Sec. 4" and insert "Sec. 3."

Mr. McFARLAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

#### UNIFORM LAW CONCERNING COMMON-TRUST FUNDS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1580) concerning common-trust funds and to make uniform the law with reference thereto



which was to strike out all after the enacting clause and insert:

SECTION 1. Establishment of common-trust funds: Any bank or trust company qualified to act as fiduciary in the District of Columbia may, subject to such rules and regulations as may be promulgated from time to time by the Board of Governors of the Federal Reserve System, under the provisions of section 11 (k) of the Federal Reserve Act, as amended (12 U. S. C. 248 (k)), pertaining to the collective investment of trust funds by national banks, establish common-trust funds for the purpose of furnishing investments to itself as fiduciary, or to itself and others as co-fiduciaries; and may, as such fiduciary or co-fiduciary, invest funds which it lawfully holds for investment in interests in such common-trust funds, if such investment is not prohibited by the instrument, judgment, decree, or order creating such fiduciary relationship, and if, in the case of co-fiduciaries, the bank or trust company procures the written consent of its co-fiduciaries to such investment.

SEC. 2. Taxability of common-trust funds: (a) A common trust fund, as herein defined, shall not be subject to any tax imposed by the District of Columbia Income and Franchise Tax Act of 1947, as amended, and for the purpose of said act shall not be deemed to be a corporation.

(b) The net income of a common-trust fund shall be computed in the same manner and on the same basis as in the case of an individual. Each participant in a common-trust fund shall include, in computing its net income its proportionate share of the net income of such fund, whether or not distributed to it, and the amount so included in the net income of a participant shall be taxable to such participant, or its beneficiaries, in the manner and to the extent provided in title IX of the District of Columbia Income and Franchise Tax Act of 1947, as amended, as if any amount not distributed to the participant during its taxable year actually had been so distributed.

(c) No gain or loss shall be realized by a common-trust fund upon the admission or withdrawal of a participant, or upon the admission or withdrawal of any interest of a participant. The withdrawal of any participating interest by a participant shall be treated as a sale or exchange of such interest by such participant.

(d) Every bank or trust company maintaining a common-trust fund shall make a return under oath for the taxable year of such fund.

(e) If the taxable year of a common-trust fund is different from that of a participant therein, the proportionate share of the net income of such fund to be included in computing the net income of such participant for its taxable year shall be based upon the net income of such fund for its taxable year ending within the taxable year of such participant.

SEC. 3. Court accountings: Unless ordered by a court of competent jurisdiction the bank or trust company operating such common-trust funds is not required to render a court accounting with regard to such common-trust funds; but it may, by application to the United States District Court for the District of Columbia, secure approval of such accounting on such conditions as the court may establish.

SEC. 4. Uniformity of interpretation: This act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of the District of Columbia with the law of those States which enact the Uniform Common-Trust Fund Act.

SEC. 5. Short title: This act may be cited as the "Uniform Common-Trust Fund Act."

SEC. 6. Severability: If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SEC. 7. Repeal: All acts or parts of acts which are inconsistent with the provisions of this act are hereby repealed.

SEC. 8. Time of taking effect: This act shall take effect November 1, 1949, and shall apply to fiduciary relationships then in existence or thereafter established.

Mr. JOHNSTON of South Carolina. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 33) providing for the ratification by Congress of a contract for the purchase of certain Indian lands by the United States from the Three Affiliated Tribes of Fort Berthold Reservation, N. Dak., and for other related purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 162) to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PRIEST, Mr. SADOWSKI, and Mr. O'HARA were appointed managers on the part of the House at the conference.

#### AMENDMENT OF FEDERAL FARM LOAN ACT—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a conference report on House bill 3699, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as

follows: Change the figure "\$75,000" to "\$100,000"; and the Senate agree to the same.

ALLEN J. ELLENDER

(By S. L. H.),

OLIN D. JOHNSTON,

SPESSARD L. HOLLAND,

EDWARD J. THYE,

B. B. HICKENLOOPER,

Managers on the Part of the Senate.

HAROLD D. COOLEY,

STEPHEN PAGE,

W. R. POAGE,

CLIFFORD R. HOPE,

AUG. H. ANDRESEN,

Managers on the Part of the House.

Mr. HOLLAND. Mr. President, the conference report is unanimously agreed to by the conferees on the part of both Houses. The only effect of the report is to raise the maximum limit of loans from farm loan banks from \$75,000 to \$100,000. I ask for the approval of the report.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

#### FAREWELL STATEMENT BY SENATOR BALDWIN

Mr. BALDWIN. Mr. President, this is the last session the junior Senator from Connecticut will attend as a Member of the United States Senate. On December 17, I expect to take the oath as a justice of the Supreme Court of Connecticut, and I shall tender my resignation at that time. Before I take my leave, however, there are just a few words of appreciation that I should like to say.

I wish to express to you, Mr. President, my profound thanks for the kindly, understanding consideration which you personally have always shown to me. It has been one of the rare and most pleasant experiences of my lifetime to have known you and to have shared with the Senate the opportunity of enjoying your kindly and genial association.

I wish to express my most sincere thanks, too, to all the officers of the Senate, to my distinguished friend the able senior Senator from Illinois [Mr. LUCAS], the leader in the Senate of the majority party; to my distinguished friend the able junior Senator from Nebraska [Mr. WHERRY], the leader in the Senate of my own party; to the clerks of the Senate; to the secretaries; and to all the staff. They have always been most willing and helpful to one who, I must confess, has often needed their help.

To my colleagues in the Senate, I say that I shall always hold you in high esteem and treasure your friendship. You have ever been friendly, helpful, understanding. I wish that the people of the country might know, as I have come intimately to know, how earnest, sincere, conscientious, and able you are. You have given a new and broader meaning to the word "work." Your manner of dealing with your colleagues has demonstrated a richer import to the term "integrity." You have added a shining luster to the word "politician"—a term which all too many of our fellow citizens

fail to understand. Honest political and personal disagreements there will always be. But so long as this body maintains its integrity, understanding, and democracy—and I mean everything that word implies—to which all of you have so ably contributed, this, our Republic, I know, with God's grace, will endure. I have had an experience here that will serve me well in the public service to which I go.

It has been a memorable experience to have been associated with you, for I know of no finer group of men anywhere, in any walk of life. I shall miss these daily associations.

I can only say to you, from my heart, thanks for all you have been to me and have done for me. The door of the little salt-box house in Stratford, which I call home, will always be gladly opened to welcome any of you who can come to the old Yankee State of Connecticut.

Thank you very much. [Applause.]

#### TRIBUTES TO SENATOR BALDWIN

Subsequently, the following tributes were paid to Senator BALDWIN:

**Mr. McMAHON.** Mr. President, I was at the White House conferring with the President of the United States earlier today when the junior Senator from Connecticut [Mr. BALDWIN] spoke about his prospective resignation from the Senate of the United States. I am grateful for the reference he made to me. I have since had the privilege of reading his remarks.

The Senator and I have been friends for more than 20 years. I have not only an affection for him, but a profound respect for his integrity and his ability, for his patriotism, and for his devotion to his country, his State, and his family. I am sure he takes with him to the supreme court of our State the most genuine and heartfelt wishes for a long and honorable career on the bench. We all wish him happiness in the years to come.

**Mr. LUCAS.** Mr. President, I desire to join my colleague the senior Senator from Connecticut [Mr. McMAHON], who just delivered the brief tribute to his distinguished colleague [Mr. BALDWIN], who is serving perhaps his last day in the United States Senate. I am very grateful to the junior Senator from Connecticut for the kind remarks he made about me in his brief address to the Senate earlier today.

During the time I have served as majority leader of the Senate I have had many occasions to discuss various problems with the junior Senator from Connecticut, and while he and I did not always agree upon various measures which have been before the Senate, I have found him at all times to be a gentleman, one of the old school, if I may say so, courteous, kind, tolerant, and fair, one whose integrity could not be questioned.

I am sure that all Members of the Senate, irrespective of their political affiliations, regret to see the distinguished Senator leave this body. I think I speak for all my colleagues on this side of the aisle, as well as other Senators, when I say that we wish for him every success in his new venture, in his continued

political career. We are certain that his experience in this great legislative body will be of immeasurable value to him as he ponders over the innumerable questions which will be before him for decision as a member of the Supreme Court of Connecticut.

**Mr. SALTONSTALL.** Mr. President, as a New Englander and as one who worked with the Senator from Connecticut for a period of 4 years while we both occupied the office of Governor in our respective States, and who has worked with him here in the Senate, I wish to add my word of best wishes for him in his future career as a member of the judiciary.

In New England we have a New England governors' conference, which meets a number of times during the year. The junior Senator from Connecticut was always helpful and creative. He was of assistance to all of us in arranging our thoughts and putting them on paper. He was always sincere, with no sign of partisan politics entering in any way into the discussion of various issues. I feel that he has approached the issues in the Senate in the same way that he did as Governor of Connecticut. He was a governor of all the people of the State, and not a partisan governor. He has a fine mind, unimpeachable integrity, and a heart of gold. I am confident that the people of Connecticut will benefit from his decisions as a member of their highest court.

**Mr. DONNELL.** Mr. President, I should like to have the RECORD show that at the moment I am occupying the seat of the minority leader. In that capacity, and also individually, I desire to say something with respect to our friend and colleague the junior Senator from Connecticut.

It has been my privilege to know him, as it has been the privilege of the distinguished Member of the Senate who now occupies the Chair [Mr. O'CONNOR], for a number of years. He served with distinction as Governor of his State. He came to my own State upon one occasion. As I recall upon the occasion of our first meeting he demonstrated his ability as an orator and as a distinguished public servant by evidencing to an audience of Missourians, most clearly, his fine comprehension of the issues which were then before the country.

We are all familiar with his gracious personality. We are familiar also with many of his other qualities. His courage has been demonstrated frequently upon the floor of the Senate. His intelligence has been established beyond the slightest peradventure of doubt. His integrity stands unchallenged.

It was my privilege to be with him several years ago on Mackinac Island at the time of a certain notable conference in which he was a participant. On that occasion the reverence which our good friend has for nobler and finer things of life, exemplified in religion, was, in an incident I recall, very noticeable.

I am sure that we shall greatly miss him. We believe that in his departure to enter into a judicial capacity he will carry with him the same ability, the same

integrity, the same courage, and the same graciousness which have characterized him here.

I take pleasure at this time in extending cordial best wishes to him. Yet it is with a note of sadness that I do so, because not only I, but other Members of the Senate, will miss him very greatly.

**Mr. PEPPER.** Mr. President, I should like the privilege of associating myself with the sentiments which have just been expressed on both sides of the aisle upon the unhappy departure from the membership of this body of the distinguished Senator from Connecticut. It is one of the sad experiences we have when we who have enjoyed long and happy association here must be separated for any reason, even if those who leave go voluntarily to satisfy something that is very meaningful to them.

In this case we shall be particularly conscious of a very keen loss when the Senator from Connecticut forsakes his colleagues here and takes up the completion of his political cycle by entering upon distinguished judicial service. Not all of us in our public life have had the opportunity of running the gamut of all three branches of our system of government, the executive, the legislative, and the judicial.

It has already been mentioned that the junior Senator from Connecticut served with distinction as governor of his great State. We know from personal experience and knowledge of the eminence with which he has discharged his high task in the United States Senate. We know that he will continue to crown himself with added honors when he assumes the mantle of the judiciary and departs from these somewhat controversial halls to the quiet cloisters of the court.

We want him to know that he will carry with him our warm affection, as he has had it here. He carries also our great admiration for high qualities of character, competence, and courage which he has so often and so gallantly manifested in the Senate. He has our hearty good wishes and, so far as we may extend them, our prayerful hopes for many more years of distinguished and useful public service.

**Mr. IVES.** Mr. President, this is a statement which I hoped I never would have to make in the Senate. I do not wish to dignify it by the term "speech." It is not because the subject of my remarks is not deserving of anything I may say regarding him, because he is more than deserving, but because of the circumstances under which I say it.

It so happens that the distinguished junior Senator from Connecticut and I arrived in the Senate at the same time, as a result of the same election. Probably no Member of the Senate has been more active in matters of legislation in which the Senator from New York has been interested than has the Senator from Connecticut. It has been my good fortune to work closely with him on many questions of importance, not only to the two of us personally but to the country.



The Senator from New York learned long ago to recognize the great qualities which the distinguished Senator from Connecticut possesses. Recognizing those qualities, the Senator from New York cannot begin at this time to express the deep regret he feels at the decision of the Senator from Connecticut to retire from this great legislative body. However, the Senator from Connecticut has made his decision. He has made it on the basis of what he considers to be the wiser course. I can only say that I hope that in the future—and I am sure it will be true in the future—he will enjoy the deep respect and affection of those who are to be associated with him that he has enjoyed among his colleagues during his sojourn in the Senate. He came to the Senate already a distinguished man. He leaves the Senate a more distinguished man. He has been a great credit to the Senate and a great credit to the State of Connecticut.

In closing, I can only wish for him, as has already been expressed on the floor of the Senate, the best that can possibly lie ahead for him in whatever activity he may be engaged in the future.

Mr. WHERRY. Mr. President, I wish to join my colleagues in the tributes they are paying to our colleague, RAY BALDWIN, of Connecticut. It was my first impulse, earlier today, when he gave us his farewell message, to rise and say then what I should like to say now. But I felt that the applause at that time, which was spontaneous in the Senate, spoke for itself. Certainly there is no higher tribute, I think, which can be paid, certainly no tribute in words could be higher, than the tribute paid to our colleague earlier today when the Members of the Senate applauded him, following his remarks.

I, too, should like to state that it has been a great pleasure to work with the Senator from Connecticut. He has been courteous, he has been fair, he has been a gentleman all the way through.

I, too, should like to say that, for more than one reason, I hate to see him leave the Senate.

I extend to him my very best wishes as he goes to his new judicial position. I am sure he will be a credit to the high office he is about to assume as he has been to the Senate of the United States.

To RAY BALDWIN and his family we extend our best wishes. I know that I am joined by the Senator from Missouri [Mr. DONNELL], the acting minority leader, when I say that RAY BALDWIN has the best wishes of all of us as we congratulate him upon the new work he undertakes and as we express our regret at losing him from the Senate of the United States.

Mr. MILLIKIN. Mr. President, as chairman of the Republican Conference of Senators, and for myself personally, I wish to associate myself with all the fine things which have been said by Senators in tribute to the Senator from Connecticut. We regret to lose him here; but we are heartened by knowing that he is going to another and equally important field of service to his State and his country. Under our political system service on either the Federal bench or the State bench contributes to the wel-

fare of the country if the judge is courageous, balanced in judgment, learned in the law, is industrious, and is a patriotic citizen. Senator BALDWIN is all of those things. He has displayed those qualities as Governor and Senator and he will continue to display them in his tenure on the bench of the highest court of Connecticut.

That court is known as one of our great State courts. It has been a firm upholder of the United States Constitution and of its own system of laws in Connecticut. Senator BALDWIN's service here in the Senate has given him additional qualifications for the next phase of his inspiring career.

He will bring his own luster to a bench which already is lustrous. We wish him the best of good fortune there. We sincerely regret his departure from the Senate.

Mr. RUSSELL. Mr. President, I was not on the floor earlier today when the distinguished Senator from Connecticut delivered his remarks; but I would feel recreant to every impulse of my being if I did not at least rise and lay the poor flower of my tribute alongside the beautiful bouquets which have been fashioned by my colleagues.

It has been my privilege to serve with Senator RAY BALDWIN on the Committee on Armed Services. He is a great Senator and a great American. He is endowed with the understanding, the knowledge, and the courage which have enabled him to have the distinguished public career which has marked all his public services.

The Senate's loss will be the gain of the judiciary in his own State. I am sure he will adorn the bench with the same sense of justice, fairness, and courage that has been demonstrated in his work here.

He will be missed from the Senate, but we wish him all Godspeed and happiness in the position he will assume.

Mr. LUCAS. Mr. President—

Mr. BALDWIN. Mr. President, will the Senator yield for just a moment?

The VICE PRESIDENT. Will the Senator from Connecticut permit the Senate to indulge the Chair for just a moment while the Chair joins with the Senators who have expressed their high opinion of the Senator from Connecticut and their deep regret at his departure.

In my capacity as a Senator, I came in contact intimately with the Senator from Connecticut. In my capacity as minority leader, I came in contact with him; and in my capacity, now, as President of the Senate, I have done so. I have enjoyed and relished an intimate association with the Senator from Connecticut. His rare charm, personally, has endeared him to me in a peculiar way. While congratulating the Governor of Connecticut upon appointing the Senator to the bench of that great State, I must join other Senators here, on both sides of the aisle, if I may do so, in expressing my personal regret at his departure, my deep personal admiration and affection for him, and my profound good wishes for him, in whatever he may undertake, in whatever field he may seek to exercise his great abilities and his great personality, in the years to come.

Mr. LODGE. Mr. President, I should like to join those who are saying a word of greeting to our comrade from Connecticut; to tell him how much I have enjoyed my service with him here, the regard I have formed for his high principles, his integrity, his sense of duty to his fellow man, and to assure him that in the new field into which he is about to enter he carries all my best wishes for health, happiness, and success.

Mr. BALDWIN. Mr. President, I simply wish to say that all of you have rewarded me far beyond my just deserts. I wish now, with a very full heart, to thank all of you very, very much.

#### ORDER OF BUSINESS

Mr. MALONE obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LUCAS. May I inquire about how long the Senator expects to speak?

Mr. MALONE. About 15 minutes.

Mr. LUCAS. I had hoped we might get to the calendar, and take care of three bills which were reported yesterday. Then, after that, I was going to move to proceed to the consideration of the Executive Calendar. It is my understanding that the conference report on the farm bill, which must first be acted upon in the House, will not reach the Senate until about 3 o'clock. I had hoped we might get all preliminary matters of this kind out of the way before the conference report on the farm bill came to the Senate. I believe when we finish the farm bill, it may be the last business of the Senate.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield so that I may make an inquiry of the distinguished majority leader?

Mr. MALONE. I yield.

Mr. WHERRY. Does the majority leader think the conference report on the supplemental appropriation bill will reach the Senate ahead of the conference report on the farm bill?

Mr. LUCAS. I think it may, though it may be after the report on the farm bill reaches the Senate. But I merely make the announcement in the hope we may get to the Executive Calendar as soon as possible.

#### LAST EDITION OF RECORD FOR FIRST SESSION OF EIGHTY-FIRST CONGRESS

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Iowa?

Mr. MALONE. I yield.

Mr. HICKENLOOPER. Do I correctly understand that the RECORD will only be printed tomorrow; that is, today's RECORD—and that the Appendix will be continued?

Mr. LUCAS. The Senator is correct.

Mr. HICKENLOOPER. In other words, anything to go into the RECORD itself will have to go in today. Is that correct?

The VICE PRESIDENT. The Chair might state it is customary to have another edition of the RECORD printed, 10 days or so after the adjournment of the Congress.

Mr. WHERRY. Mr. President, it is my understanding, if my memory serves me correctly, that in the next edition of the RECORD an announcement will be made by the chairman of the Subcommittee on Printing of the Rules Committee, and it will state when the last edition is to be printed. Am I correct about that?

The VICE PRESIDENT. The chairman of the Joint Committee on Printing has printed on the face of the RECORD in black type when the last RECORD will be published.

Mr. WHERRY. So that Senators will be notified by that insertion, as to the last day for the submission of matters for the final volume. Is that correct?

The VICE PRESIDENT. That is correct.

#### INVESTIGATION OF ATOMIC ENERGY COMMISSION—AUTHORITY TO FILE MINORITY VIEWS

Mr. HICKENLOOPER. Mr. President, if the Senator will yield further, I may say I obtained unanimous consent to have a report of the minority views of the Joint Committee on Atomic Energy, in connection with the investigation, filed and printed. I obtained that consent yesterday, and if the RECORD of today is to be the final regular RECORD, and another daily edition is not to be printed, then I shall have to change my request to include insertion of the minority views in the Appendix of the RECORD. Mr. President, if I may, I amend my request of yesterday to include insertion either in the RECORD, or in the Appendix of the RECORD, whichever may be better.

The VICE PRESIDENT. Without objection, the request will be modified to the extent indicated.

Mr. HICKENLOOPER. I thank the Chair.

#### CERTAIN FUNCTIONS AND ACTIVITIES OF COMMERCE DEPARTMENT

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 162) to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate recede from its amendments.

The motion was agreed to.

#### REPEAL OF WARTIME EXCISE TAXES

Mr. MALONE. Mr. President, the junior Senator from Nevada intends to introduce a bill which, if passed, would repeal the wartime excise taxes.

#### LESSEN THE TAX LOAD

It is time to consider lessening the tax load on the people who can least afford to pay taxes—the load of wartime excise taxes, many of which are paid by farm girls, shop girls, stenographers, young married couples, traveling salesmen, and persons trying to establish a business. They take the bulk of the load, and it falls where it can least be afforded,

#### REPEAL EXCISE TAXES IMPOSED SINCE 1941

The bill offered by the junior Senator from Nevada will repeal the wartime excise taxes imposed since 1941.

In addition to the excise taxes which I am presently seeking to repeal, the entire present tax structure should be reorganized to encourage new capital investment, especially to provide an incentive for new risk capital investment. Oppressive taxes are stifling business and industrial development.

#### INDIVIDUAL—NOT CORPORATION—PAYING THE TAXES

There must be a final realization of the individual citizens of this Nation—regardless of his financial status—that he is paying his full share of the cost of every appropriation that is made by the Congress of the United States—before he will demand that the administration who recommends it and the Congress which passes stop spending ourselves into a form of government that we would not vote for.

#### INDIRECT TAXING AGENCIES

The State legislatures and the Congress of the United States have utilized the public utilities and the corporations of the Nation as indirect tax collectors from an unsuspecting public for 50 years, through special levies and through the simple expedient of raising the State valuations.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an excerpt from the New York Journal of Commerce of August 8, 1949, showing tax collections of \$54,000,000,000, which sets a new record.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

#### TAX COLLECTIONS OF \$54,000,000,000 SET NEW RECORD

WASHINGTON, August 7.—The Nation's total tax bill last year surpassed all others, even the previous peak war year of 1945, and Federal, State, and local governments took in \$54,000,000,000 from their citizens, or \$372 for every person in the United States.

The per capita figure is high enough, but misleading, since obviously the average amount paid by the much smaller number of actual taxpayers was considerably higher.

#### ONE MILLION DOLLARS OVER 1945 HIGH

The previous high year for tax collections was 1945 when all fiscal units received \$53,000,000,000. In 1947, the aggregate was \$49,000,000,000 or \$344 per capita.

These are net figures, after deduction of refunds.

The data is supplied by the Commerce Department's Census Bureau, in a special report.

#### ROLE OF SPECIAL LEVIES

Illustrative of the major part in the tax structure now played by special levies such as sales taxes on gasoline, liquor, and tobacco, which President Truman now confirms cannot be reduced until next year after much research by the Treasury, is the \$12,100,000,000 from all sales and gross receipts taxes and customs paid in last year. This was 7 percent more than in 1947, and 113 percent more than in 1942. It was the second largest single source of all Government revenue.

First was income taxes, amounting to \$19,800,000,000, more than one-third of all Government revenue, most of which was collected by the Federal Government.

Third was corporation income taxes, which yielded \$10,300,000,000, somewhat above 1947,

but one-third less than as paid by business in 1945.

#### UNITED STATES GETS BIGGEST SHARE

Nearly three-fourths of the 1948 tax total, or \$274 a person, represented net Federal tax collections, with State governments receiving \$53 per capita and local governments the remaining \$45 of taxes a person.

Taxes made up 95 percent of the \$57,300,000,000 total of governmental revenue in 1948. Fees and other miscellaneous charges and nontax revenue provided the remaining \$2,700,000,000.

Federal revenue in 1948 was up \$3,000,000,000 from the previous year's level, though still below its peak amount of \$43,400,000,000 for 1945. Revenue of State and local governments continued to increase rapidly, reaching nearly \$17,900,000,000 in 1948, as compared with \$15,300,000,000 in 1947 and \$119,400,000,000 in 1942.

These figures for State and local governments include their Federal aid receipts, which amounted to \$1,500,000,000 in 1948.

#### HOW UNITS FARED

Because of financial grants and tax sharing between the Federal Government, State and local governments, each level finally has for its own spending a different amount than it collects directly in taxes and charges. Taking account of such transfers, the Federal Government had 69 percent of all governmental revenue in 1948 "for its own purposes," the States 12 percent, and local governments 19 percent.

Property taxes continued as the largest single source of local government revenue, yielding them nearly \$5,900,000,000 in 1948. Addition of State revenue from property taxes—a type of levy the Federal Government does not impose—shows total 1948 collections of \$6,100,000,000 from this source.

This indicates a rise in property tax revenue of 11 percent from 1947 and of 35 percent from 1942, the Census Bureau said.

#### TAX TRANSFERRED TO INDIVIDUAL CITIZEN

Mr. MALONE. Mr. President, when a special tax, through any expedient or subterfuge, is placed upon a corporation, it is immediately transferred to the individual citizen through an additional price for things he must buy.

If the tax is placed on corporations or business partnerships, the bread companies add it to the price of a loaf of bread, the textile companies add it to the price of the cloth used to make clothing and other necessities, the crockery producers add it to the price of dishes, and the transportation companies add it to the freight and passenger fares which each individual must pay—it makes no difference if he buys only the food to keep him alive, the clothes he must have, or ships his bed roll from one station to another, he is loaded with his share of the tax.

#### FAVORITE STATEMENT—TAXES DO NOT COST ANYTHING

The favorite political statement, that the additional appropriations and expenditures will come from higher taxes on corporations and business organizations, amounts to a horrible deceit upon a helpless public, long bewildered by the sleight-of-hand tactics practiced by an administration whose only objective is to remain in power.

#### COST OF DOING BUSINESS PAID FIRST

The cost of doing business is always paid first, and the additional tax on business profits is passed on to the individual citizen to cover the additional cost of government.



Taxes in this Nation have been increasing so rapidly during the past 20 years that they are seriously threatening and restricting the everyday lives of the people and jeopardizing and destroying the necessary ambition and hope for the future in a free America.

I ask unanimous consent to have inserted in the RECORD, at this point, in my remarks, a recent editorial entitled "Perpetuity."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### PERPETUITY

Once upon a time in the Indian principality of Lakhtar a tax of eight annas was levied upon all the residents thereof. The tax was to defray the upkeep costs of the official ceremonial elephant. In neighboring Sayla there was a like levy.

Years ago both elephants died, and with changing times and customs they were not replaced. But people were accustomed to the tax and the princely treasuries could find other uses for the funds. So the residents continued to pay their annual annas.

Lakhtar and Sayla have now been swallowed up in the Saurashtra Union, where there are no ceremonial elephants either. Saurashtra has just raised the elephantine tax by one rupee.

East is East and West is West, but nowhere do tax gatherers rest.

Mr. MALONE. Mr. President, let us glance briefly at the growth of taxes in our country during the past 20 years. Taxes, Federal, State, and local, have increased from \$10.2 billion dollars in 1929 to \$54.1 billion dollars in 1947. This is an increase of over 400 percent in 18 years.

While taxes have been increasing by 400 percent what has happened to the national income? The national income grew from \$95,000,000,000 in 1929 to \$218,000,000,000 in 1947, or an increase of 129 percent.

In other words, taxes have been increasing over three times as fast as the individual income of the American taxpayer. And no relief is in sight.

In 1929 Federal, State, and local taxes combined equalled 10.8 percent of the net national product. In 1947 they equaled 24.8 percent of the net national product. In other words, the average American pays \$25 to the Government in taxes out of every \$100 he makes.

Let us look at what that means. With taxes what they are today, the individual American has \$75 to spend. With no taxes he would have \$100, which is one-third more than he has now.

#### PUBLIC NOT AWARE OF SUBTERFUGE

The individual citizen is not fully aware of how much of his income is being taken from him in taxes. The Government has figured out so many ways of abstracting money from the citizen's pocketbook without his knowing it that surprisingly little protest is heard.

For example, how many average American taxpayers, or, for that matter, how many Senators, realize that 100 taxes are paid to the Government in the production of an egg? Let us analyze this more fully.

#### 100 TAXES ON PRODUCTION OF AN EGG

The grocer pays 14 Federal, State, and local taxes. The trucker pays 20 taxes.

The egg wholesaler pays 17 taxes. The poultry farmer who brings the egg to the city wholesaler pays at least 10 Federal, State, and local taxes. The feed store who sold the farmer his poultry feed pays 14 different taxes. The railroad that delivered the feed pays another 11 taxes. The milling corporation pays another 14 taxes, making altogether 100 taxes on an egg from hen to breakfast table. Is it any wonder that eggs in the summer of 1949 were selling for 89 cents a dozen—the highest summer prices ever charged in the history of our country? And eggs are only one example.

#### ONE BILLION DOLLAR TAX ON CIGARETTES

Last year individual citizens paid over \$1,000,000,000 in excise taxes to the Federal Government alone on cigarettes. This does not include what was paid to State governments in taxes on cigarettes. State taxes average 3½ cents per pack of cigarettes.

The same situation exists with respect to alcoholic beverages. It has been estimated that the American consumer of whisky pays \$2.10 tax for each fifth of blended whisky he buys.

Thus present excise taxes on cigarettes and liquor practically double the price paid by the consumer.

#### RAPID GROWTH IN EXCISE TAXES

While taxes of all kinds have grown rapidly since 1933, perhaps no important tax has grown as rapidly as excise taxes.

In 1933 total revenue from excise taxes amounted to less than \$1,000,000,000—\$839,000,000, to be precise. In 1948 revenue from excise taxes amounted to \$7,400,000,000. This is an increase of 789 percent.

It is high time that taxes be cut, that extravagant Government spending be eliminated, and that a stop be put to our own excesses, as well as the wasteful financing of the wild socialistic experiments in England and other countries at our expense.

We have poured nearly \$10,000,000,000 of ECA funds into western Europe during the past 2 years. And what do we have to show for it? Even leading European statesmen say the ECA program has failed to achieve its objectives.

The time has come to lighten the tremendous burden now shouldered by the American taxpayer, and to reduce taxes to a reasonable level once more.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial from the Mineral County Independent-News of April 11, 1949, entitled "War Tax Penalties."

The PRESIDING OFFICER (Mr. HOEY in the chair). Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### WAR TAX PENALTIES

During the war, nearly 8 years ago, a 15-percent tax was added to all train, bus, and plane fares, principally to discourage civilian travel.

It was not the primary purpose of the tax to raise revenue. The original reason for imposing it has long since ceased to exist. Like all taxes, once they have been established, it is almost impossible to get rid of them.

Today this penalty on travel not only works a hardship on commercial carriers at a time when business is slowing up, but it is affect-

ing vacation travel and all activities which benefit from tourist business. It is a burden on parents of students who are traveling to school; on people visiting relatives; on people who must travel because of illness in the family, accidents, and death; on individuals attending conferences and business meetings of various kinds; and on traveling for health and recreation.

The tax has been repealed on travel to foreign countries receiving Marshall-plan aid. Several weeks ago Canada, which imposed a similar 15-percent tax during the war, dropped it.

Reasons for repealing the penalty tax on personal travel apply with equal force to the 3-percent tax on freight shipments. Such a tax is discriminatory to the common carriers by rail or highway because shippers who buy their own trucks and furnish their own transportation, escape it. It penalizes producers who must ship their products long distances to markets in competition with those situated closer to consumers.

It is high time the people begin to demand that wartime taxes and restrictions be eliminated in favor of peacetime policies that tend to encourage industry and pay rolls. A good place to begin is to remove the wartime penalty tax on all such necessities as passenger and freight rates.

Mr. MALONE. Mr. President, I wish to introduce a bill which will repeal wartime excise taxes and war excise tax rates imposed by the Revenue Act of 1943. I ask unanimous consent to introduce the bill to be properly referred, and request that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the bill will be received, appropriately referred, and printed in the RECORD.

There being no objection, the bill (S. 2751) to eliminate excise taxes first imposed since the beginning of World War II and to reduce other excise taxes to the rates in effect at the beginning of such war, was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Excise Tax Reduction Act of 1949."

SEC. 2. Repeal of war excise taxes and war excise tax rates imposed by the revenue act of 1943.

(a) Section 1650 of the Internal Revenue Code (war tax rates of certain miscellaneous taxes), as amended, is hereby amended by inserting immediately after the words "Revenue Act of 1949" the following: ", and ending on the first day of the first month which begins more than 20 days after the date of enactment of the Excise Tax Reduction Act of 1949."

(b) Sections 1651 (retailers' excise tax on luggage, etc.), 1652 (leases, conditional sales, existing contracts, etc.), and 1653 (articles classifiable under more than one section) of the Internal Revenue Code are hereby repealed.

(c) Section 302 (b) (2) of the Revenue Act of 1943 (period applicable to increase of tax with respect to billiard and pool tables and bowling alleys), as amended, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", and continuing through June 30, 1950."

(d) Section 309 (b) of the Revenue Act of 1943 (relating to draw-back on distilled spirits), as amended, is hereby amended by inserting immediately after the words "Revenue Act of 1943" the following: ", and ending on the first day of the first month which

begins more than 20 days after the date of enactment of the Excise Tax Reduction Act of 1949."

(e) The term "rate reduction date" as used in chapter 9A of the Internal Revenue Code (relating to war taxes and war tax rates) means the first day of the first month which begins more than 20 days after the date of enactment of this act.

(f) The provisions of subsection (b) shall be effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act.

Sec. 3. Repeal of excise taxes first imposed by the Revenue Act of 1942.

(a) (1) Section 1804 (b) of the Internal Revenue Code (tax on certain insurance policies) is hereby repealed.

(2) The provisions of paragraph (1) of this subsection shall be applicable to the making, continuing, or renewal of contracts occurring on or after the first day of the first calendar month, which begins more than 20 days after the date of enactment of this act.

(b) (1) Subchapter E of chapter 30 of the Internal Revenue Code (tax on transportation of property) is hereby repealed.

(2) The provisions of paragraph (1) of this subsection shall be effective on and after the first day of the first calendar month which begins more than 20 days after the date of enactment of this act.

Sec. 4. Reduction in the rates of certain excise taxes to those in effect prior to World War II.

(a) Section 3406 (a) (4) of the Internal Revenue Code (manufacturers' excise tax on photographic apparatus) is amended (1) by striking out "25 percent" and inserting in lieu thereof "10 percent", and (2) by striking out "15 percent" and inserting in lieu thereof "10 percent."

(b) Section 3267 (a) (2) and (3) (relating to rate of tax on gaming devices) is amended by striking out "\$100" and inserting in lieu thereof "\$50."

(c) Section 2800 (a) (1) of the Internal Revenue Code (rate of tax on distilled spirits generally) is amended by striking out "\$6" and inserting in lieu thereof "\$4."

(d) Section 2800 (a) (3) of the Internal Revenue Code (rate of tax on imported perfumes containing distilled spirits) is amended by striking out "\$6" and inserting in lieu thereof "\$4."

(e) Section 3150 (a) of the Internal Revenue Code (rate of tax on fermented malt liquors) is amended by striking out "\$7" and inserting in lieu thereof "\$6."

(f) Section 3030 (a) (1) (A) of the Internal Revenue Code (rate of tax on still wines) is

amended (1) by striking out "10 cents" and inserting in lieu thereof "8 cents," (2) by striking out "40 cents" and inserting in lieu thereof "30 cents," and (3) by striking out "\$1" and inserting in lieu thereof "65 cents."

(g) Section 3030 (a) (2) of the Internal Revenue Code (rates on sparkling wines, liqueurs, and cordials) is amended (1) by striking out "10 cents" and inserting in lieu thereof "7 cents" and (2) by striking out "5 cents" and inserting in lieu thereof "3½ cents."

(h) Section 2000 (c) of the Internal Revenue Code (relating to the tax on cigars and cigarettes) is amended to read as follows:

"(c) Cigars and cigarettes: Upon cigars and cigarettes manufactured in or imported into the United States, which are sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid the following taxes:

"(1) Cigars: On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 75 cents per thousand;

"On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 5 cents each, \$2 per thousand;

"If manufactured or imported to retail at more than 5 cents each and not more than 8 cents each, \$3 per thousand;

"If manufactured or imported to retail at more than 8 cents each and not more than 15 cents each, \$5 per thousand;

"If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, \$10.50 per thousand;

"If manufactured or imported to retail at more than 20 cents each, \$13.50 per thousand.

"Whenever in this subsection reference is made to cigars manufactured or imported to retail at not over a certain price each, then in determining the tax to be paid regard shall be had to the ordinary retail price of a single cigar in its principal market.

"(2) Cigarettes: On cigarettes made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, \$3.25 per thousand;

"Weighing more than 3 pounds per thousand, \$7.80 per thousand; except that if more than 6½ inches in length they shall be taxable at the rate provided in the preceding paragraph, counting each 2¾ inches (or fraction thereof) of the length of each as one cigarette.

"The tax imposed by this subsection is in addition to any import duties imposed upon imported cigars and cigarettes."

(i) Section 3413 of the Internal Revenue Code (tax on lubricating oils) is amended

by striking out "6 cents" and inserting in lieu thereof "4½ cents."

(j) Section 3465 (a) (1) (A) of the Internal Revenue Code (tax on telephone toll service) is amended by striking out "20 percent" and inserting in lieu thereof "10 percent."

(k) Section 3465 (a) (1) (B) of the Internal Revenue Code (tax on telegraph, cable, and radio messages) is amended by striking out "15 percent" and inserting in lieu thereof "10 percent."

(l) Section 3465 (a) (2) (A) of the Internal Revenue Code (tax on leased wires) is amended by striking out "15 percent" and inserting in lieu thereof "5 percent."

(m) Section 3469 (a) (relating to tax on transportation of persons) and section 3469 (c) (relating to tax on seats or berths) are amended by striking out "10 percent" and inserting in lieu thereof "5 percent."

(n) All of the provisions of this section, except subsection (b), shall be effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act. Subsection (b) of this section shall be effective on and after July 1, 1950.

Sec. 5. Amendment of code provision relating to floor stocks refunds on distilled spirits, wines and cordials, and fermented malt liquors

Section 1656 (a) of the Internal Revenue Code (relating to floor stocks refunds) is amended by striking out "if section 1650 and the 1944 floor stocks taxes had not been applicable," and inserting in lieu thereof "under the tax rates in effect immediately prior to the enactment of the Revenue Act of 1942."

#### THE EFFECT OF REPEAL OF WARTIME EXCISE TAXES

Mr. MALONE. Mr. President, the effect of the passage of this bill on tax collections is shown in exhibit 1, which I submit for the RECORD. This exhibit lists the excise taxes to be affected, the sources which would be affected, the present rates, the rates in effect December 7, 1941, estimated collections for the full year under the present law, and then, under the proposed reduced rates, the estimated reductions for a full year. I submit that as exhibit 1, and ask that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

#### EXHIBIT 1

*Estimated reduction in excise-tax collections if rates were reduced to those in effect on Dec. 7, 1941, and if new taxes imposed since that date were repealed<sup>1</sup>*

[In millions of dollars]

Sources which would be affected	Present rates	Rates in effect Dec. 7, 1941	Estimated collections, full year		Estimated reductions, full year <sup>1</sup>
			Present law	Reduced rates	
Liquor taxes:					
Distilled spirits.....	\$9 per proof gallon <sup>2</sup>	\$4 per proof gallon <sup>3</sup>	\$1,300.0	\$622.8	677.2
Wines.....	15 cents to \$2 per wine gallon; 10 cents to 15 cents per ½ pint.	8 cents to 65 cents per wine gallon; ¾ to 7 cents per ½ pint.	65.0	35.0	30.0
Fermented malt liquors.....	\$8 per barrel	\$6 per barrel	700.0	532.0	168.0
Occupational taxes, nonbeverage manufacturers.....	\$25 to \$100 per annum	None	.2		.2
Total, liquor taxes.....			2,065.2	1,189.8	875.4
Tobacco taxes:					
Small cigarettes.....	\$3.50 per thousand	\$3.25 per thousand	1,270.0	1,180.0	90.0
Large cigarettes.....	\$8.40 per thousand	\$7.80 per thousand	(4)	(4)	(4)
Cigars.....	\$2.50 to \$20 per thousand	\$2 to \$13.50 per thousand	40.0	22.0	18.0
Total, tobacco taxes.....			1,310.0	1,202.0	108.0

See footnotes at end of table.



Estimated reduction in excise-tax collections if rates were reduced to those in effect on Dec. 7, 1941, and if new taxes imposed since that date were repealed<sup>1</sup>—Continued

[In millions of dollars]

Sources which would be affected	Present rates	Rates in effect Dec. 7, 1941	Estimated collections, full year		Estimated reductions, full year <sup>1</sup>
			Present law	Reduced rates	
Documentary stamp taxes: Foreign life, sickness, etc., insurance policies, reinsurance policies.	1 cent per dollar of premium	None	(5)	None	
Manufacturers' excise taxes:					
Electric light bulbs and tubes	20 percent	5 percent	27.0	7.0	20.0
Lubricating oils	6 cents per gallon	4½ cents per gallon	75.0	57.0	18.0
Luggage	None; retailers' tax of 20 percent	10 percent		9.0	+9.0
Photographic apparatus	15 to 25 percent	do	42.0	25.0	17.0
Total, manufacturers' excise taxes			144.0	98.0	46.0
Retailers' excise taxes:					
Jewelry	20 percent except 10 percent on certain watches and alarm clocks <sup>4</sup>	10 percent	200.0	121.0	79.0
Fur articles	20 percent with exceptions	do	58.0	32.0	26.0
Luggage, handbags, wallets, etc.	20 percent	None; 10 percent manufacturers' tax	75.0		75.0
Toilet preparations	do	10 percent	93.0	49.0	44.0
Total, retailers' excise taxes			426.0	202.0	224.0
Miscellaneous taxes:					
Admissions:					
General:	1 cent for each 5 cents or major fraction	1 cent for each 10 cents or fraction	384.0	211.0	173.0
Leases of boxes or seats	20 percent	11 percent	.2	.1	.1
Ticket broker sales in excess of regular price	do	do	.8	.4	.4
Cabarets, roof gardens, etc.	do	5 percent	45.0	14.0	31.0
Fowling alleys, billiard and pool tables	\$20 per alley or table	\$10 per alley or table	4.0	2.2	1.8
Club dues and initiation fees	20 percent	11 percent	28.0	16.0	12.0
Coin-operated gaming devices	\$100 per machine per year	\$50 per machine per year	(5)	(7)	
Telephone, telegraph, and radio messages:					
Domestic cable and radio messages	25 percent	10 percent			
Leased wires	do	do			
Domestic telegraph messages	do	do	310.0	133.0	77.0
Telephone toll service	do	5 cents for each 50 cents or fraction			
Wire and equipment service	8 percent	5 percent			
Telephone, local service	15 percent	6 percent	225.0	92.0	133.0
Transportation of persons	do	5 percent	240.0	88.0	152.0
Transportation of property:					
Coal	4 cents per ton	None			
All other	3 percent	do	340.0		340.0
Total, miscellaneous taxes			1,577.0	556.7	1,020.3
Grand total			5,522.2	3,248.5	2,273.7

<sup>1</sup> Amounts shown represent reductions in excise tax collections only. These estimates take account of increased consumption resulting from the reduced rates. They do not take into account increased income taxes which might result from lower business deductions and increased profits. It was also assumed that exemptions of specified articles from the tax base provided by legislation enacted subsequent to 1941 would continue to be operative. No assumptions were made regarding floor stocks.

<sup>2</sup> Draw-back of \$6 per gallon allowed on distilled spirits withdrawn for certain non-beverage purposes contingent on paying special occupational taxes.

<sup>3</sup> Draw-back of \$6 per gallon allowed under present law. Draw-back not provided in 1941. Draw-backs under present law amount to about \$30,000,000.

<sup>4</sup> Less than \$10,000.

<sup>5</sup> Not available, probably small.

<sup>6</sup> Watches selling at retail for not more than \$65 and alarm clocks selling at retail for not more than \$5, taxed at 10 percent.

<sup>7</sup> Small.

#### WILL SAVE \$2,300,000,000

Mr. MALONE. Mr. President, It will be noted in this exhibit that the estimated revenue from excise taxes will fall from \$5,500,000,000 to \$3,200,000,000. This is a reduction of \$2,300,000,000. This represents a reduction of approximately 5 percent in Federal tax revenues, based on revenues received since the war.

If America is to remain the champion of the freedom of the private citizen, and is to continue to grow in economic strength and prosperity, taxes must be cut down by even more than the amount proposed in my bill. The proposed 5 percent cut is most conservative, and has been designed to come out of excise tax revenues, since these have increased so much more rapidly than taxes in general.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial entitled "Repeal of War Excise Taxes," which appeared in the New York Herald Tribune on August 1, 1949.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### REPEAL THE WAR EXCISE TAXES

In a national tax structure marred by inequities and fiscally inappropriate levies,

the retention of war-created excise taxes is one of the most irritating features. Designed to help suppress wartime inflation, the taxes continue to discourage consumer spending with great but undesired efficiency at a time when our concern is to keep the flow of consumer spending at a high level. Although the force of this truth is not lost upon Congress, it is naturally reluctant to repeal the taxes because it fears that the resultant loss in revenue would add further to the deficit already anticipated for 1949-1950.

We have reason to applaud, therefore, the excellent presentation of the case for repeal made by Mr. Beardsley Ruml, a private citizen who has performed distinguished service for the Government in fiscal matters on other occasions. Mr. Ruml points out that the industries subject to the levies suffered disproportionately during the sales and employment declines of the last few months. With consumers buying more warily and searching for bargains, the taxes on such things as furs, leather goods, communications, and transportation, to name a few, have been strong deterrents.

Taking account of the danger of losing Federal revenue and adding to the deficit, Mr. Ruml meets the issue head-on. He believes that the loss in excise-tax revenue would be almost entirely offset as a result of the boost in sales and employment the affected industries would enjoy. This boost would raise Federal revenues through the additional cor-

porate income taxes paid by these industries and through the personal income taxes of people who might otherwise be unemployed; and it would reduce unemployment insurance payments as individuals now unemployed are returned to their jobs.

It would be foolish to make exaggerated claims either for the stimulus that repeal would provide or for the offsetting revenues it would engender. But if Congress is still concerned about losing the billion dollars, more or less, that repeal might entail, it has a further offset at hand. That would be an across-the-board cut in the original appropriation requests for all purposes on which it has not yet acted. On the grounds of eliminating sheer waste in Federal spending practices, such a cut has ample justification. As a companion piece to excise-tax repeal, its justification is strengthened.

#### FEDERAL, STATE, AND LOCAL TAX INCREASE

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an exhibit showing Federal, State, and local taxes, first, the amount of the taxes from 1925 to 1929, inclusive, showing Federal, State, and local taxes, and the total. The total is 44.1 billion annually.

The table then shows the taxes from 1935 to 1939, the Federal, State, and local taxes collected, together with the total, which is 59.1 billion. This shows that

10 years later than the first figure the taxes had increased from 44,000,000,000 to 59,000,000,000.

The table then shows the taxes collected from 1945 to 1949, divided between Federal, State, and local taxes, and shows that the amount in that 10-year period has increased to \$245,100,000,000.

I ask unanimous consent that the table be printed in the *Record* at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the *Record*, as follows:

*Federal, State, and local taxes*  
[In billions]

	Federal	State	Local	Total
1925-29.....	15.7	8.1	20.4	44.1
1935-39.....	22.4	14.1	22.7	59.1
1945-49.....	186.9	28.9	29.2	245.1

NOTE.—The tax receipts after refunds, transfers to social security trust fund, and exclusive of miscellaneous receipts.

#### INCREASE IN TAX BURDEN PER CAPITA

Mr. MALONE. Mr. President, I also ask to have printed a table entitled *Taxes—References, Facts and Figures on Government Finance, 1948-49.*

The reference is made to *The Tax Foundation*, pages 48, 50, 51, 58, 59, 60, and 67, showing the tax burden per capita in dollars for 1938, 1945, and 1948.

The exhibit also shows the percentage of the distribution of Federal, State, and local tax receipts for the same years, 1938, 1945, and 1948.

It shows also the percentage of national production used for taxes for the years 1929, 1938, 1945, and 1947, indicating an increase from 1929, when the figure was 10.8 percent, to 1947, when the figure was 24.8 percent. It then shows that about one-fourth of the production now goes to Federal, State, and local taxes.

I ask unanimous consent to have the table appear at this point in the *Record*.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the *Record*, as follows:

*Taxes—References, facts and figures on Government finance, 1948-49*  
[Tax burden: Per capita in dollars]

	Total	Federal	State	Local
1938.....	101.69	41.94	24.31	35.44
1945.....	378.33	308.99	32.81	36.53
1948.....	357.32	263.99	47.75	45.58

*Percentage distribution of Federal, State, and local tax receipts*

	Total	Federal	State	Local
1938.....	100.0	41.2	23.9	34.8
1945.....	100.0	81.7	8.7	9.7
1948.....	100.0	73.9	13.4	12.8

*Percentage of national production used for taxes*

	Percent
1929.....	10.8
1938.....	18.5
1945.....	25.7
1947.....	24.8

#### ADMINISTRATION USES CORPORATIONS AS INDIRECT TAX COLLECTORS

Mr. MALONE. Mr. President, again emphasizing the fact that the Congress of the United States and the administration have used the corporations, business partnerships, and public utilities of the country as indirect taxing agencies, and have concealed the real effect and impact of the taxes, I wish to say that the average American in contemplating the Government spending spree has difficulty in understanding that this is not a mere abstraction, but is in fact paid directly by him. The general attitude of those who do not have large incomes, if any thought is given to the subject at all, is that these moneys come from direct taxes levied on the rich, on corporations, on companies, on partnerships, and upon the people who are doing the business of the United States.

#### TAXES DIRECTLY AFFECT PRICE OF COMMODITIES

The average American does not understand that a large share of these moneys come out of indirect taxes which directly affect the price of everything he buys. If it is called to his attention, he is apt to take a much more realistic view of the existing spending orgy. This would be the more particularly true if he understood the implications in the recent statement by former Premier Paul Reynaud, of France (now French representative in the European Consultative Assembly) that the Marshall plan has been a total failure, and that the ERP program has not achieved any of its objectives.

#### 150 INDIRECT TAXES ON A WOMAN'S HAT

According to information prepared by Earl Richert of the Scripps-Howard Publications, based largely on statistics compiled by *The Tax Foundation*, there are about 150 taxes paid on every woman's hat between the hat shop and the ribbon fabric bill. The ribbon maker pays a Federal corporation income tax, a Federal stamp tax on his security transfers and issues, a Federal telephone tax of 15 percent on local service and 25 percent on long-distance calls and telegrams, a Federal transportation tax of 3 percent to get his goods hauled, a Federal tax of 20 percent on his lease of a safety deposit box, and the 1 percent social-security tax for his employees—or eight Federal taxes by the ribbon maker alone.

The trucker who hauled the ribbon from the mill to the jobber, paid Federal corporation, telephone, social security and safety deposit taxes.

The jobber who sold the ribbon to the hat manufacturer paid the same taxes as the trucker, and in addition, a 3-percent Federal transportation tax.

Now we come to the manufacturer of other accessory articles, such as flowers. He paid six Federal taxes. The manufacturer of veiling paid eight. So did the straw importer.

The hat manufacturer himself paid seven, including the 15-percent rail and air-transportation tax for his salesmen.

The trucking firm which hauled the hat from the manufacturer to the jobber paid four Federal taxes, and the hat jobber who sold the hat to the retailer, paid five. The express company which

hauled the hat from the jobber to the hat shop paid five Federal taxes, and the retailer paid five.

This makes 65 separate taxes paid to the Federal Government, all of which had to be added to the cost of manufacture.

Now, of course, we also come to the State and local taxes. Here, the researchers found 43 State and 41 local taxes. In a typical trip between a New Jersey ribbon mill and a Connecticut hat shop:

The State taxes included the Connecticut sales and business gross income taxes, the New York franchise and gross earnings taxes on railway express, and the trucking firm which hauled the hat from the manufacturer to the jobber, as well as such commonly recognized taxes as gasoline, motor-vehicle registration fees, licensing and inspection fees, unemployment compensation, etc.

The 41 local taxes included property taxes, license, and inspection fees, and in New York City, an occupancy tax, and sales taxes on electricity, telephone, and telegraph service.

#### HIDDEN TAXES ON WHISKY AND CIGARETTES

Mr. Richert's statement figures that there are \$2.10 worth of hidden taxes in every fifth of blended whisky which was purchased. This would appear to mean that whisky costs the consumer a little more than twice what it should if these hidden taxes were not present. In short, every time a man buys a bottle of whisky, he is paying out of his own pocket for the support of British socialism, as well as domestic paternalism from which he does not receive any direct benefit.

It is computed that for every pack of cigarettes sold, there is 11½ cents in tax. The United States gets 7 cents per pack, and State taxes average 3½ cents per pack. On top of these direct taxes come indirect taxes of about 1 cent a pack, which are also passed on to the consumer.

In some States these cigarette levies are even higher. Louisiana has an 8 cent per pack tax. Arkansas one of 6 cents per pack. Oklahoma 5 cents per pack.

Last year, the Federal tax alone on cigarettes came to \$1,200,000,000. In short, if the subventions given the British Socialist Government alone were eliminated, the American smoker could purchase his cigarette for something like half of the price he now pays.

#### FOUR HUNDRED AND FIFTY DOLLARS IN INDIRECT TAXES ON AN AUTOMOBILE

The report also estimates that there is a tax of about \$450 on the average automobile in the low price bracket. James D. Mooney, retiring president of Willys-Overland, is credited with making the following estimates. On a moderate priced car, there is a Federal excise tax of about \$90 or more, together with State and city sales taxes that usually run about 3 percent of the tax, plus license plates and registration fees. There are also the income and withholding taxes paid by the men who make and sell the vehicle, as well as the corporation taxes, the property taxes, the transportation taxes, and so forth. Stated Mr. Mooney:

In the end, all taxes must come out of the pocket of the consumer. When the



Government slaps a heavy tax on the corporation, it is really taxing the man who buys the corporation's product. This is because of the simple economic fact of life that all costs that enter into the manufacture of a product must be covered by its selling price. The break-down on the tax of \$466, as estimated by General Motors, runs as follows:

Direct corporation taxes.....	\$36.00
Income taxes by employees of manufacturers.....	81.00
Corporation taxes and income taxes of employees of parts suppliers.....	110.00
Taxes paid by the dealer and his employees.....	96.00
State sales taxes.....	52.00
Federal excise taxes.....	91.00

Granting that the dealer's commission of approximately 23 to 25 percent would be paid from the smaller manufacturing figure which would result after these hidden taxes have been eliminated, the price to the customer presumably could be around \$1,200 for the same car—for which he has just paid \$1,800—if taxes were not present.

The same study indicates that there are at least 100 taxes involved in the process of producing an egg and making it available at the grocery. I have already outlined the amount of these taxes.

The grocer pays 14 Federal, State, and local taxes. The trucker pays about 20 taxes. The egg wholesaler about 17 taxes. The poultry farmer who brought the eggs to the big city wholesale center, paid at least 10 Federal, State, and local taxes. The feed store who sold the farmer his poultry feed paid another 14 taxes. The railroad that brought the feed from a processing company paid another 11 taxes. The milling corporation paid still another 14 taxes—100 taxes in all in the start-to-finish process of producing an egg.

#### VACATIONERS PAY THE BILL THROUGH INDIRECT TAXES

The same study also indicates that motoring vacationers pay over \$212,000,000 in taxes just for the gasoline used on their trips. The American Automobile Association estimates that the average vacationer drives 2,500 miles, averaging 15 miles to the gallon. He buys 166 gallons of gasoline and pays a national average tax of 6.4 cents per gallon—or about 25 percent of the price of the gasoline—or \$10.62, collected by both State and Federal Governments. Since 20,000,000 vacationers will be on the road this summer, this assessment comes to the huge total of \$212,000,000.

The motorist also pays a Federal tax of 1½ cents on every quart of oil he uses. He pays a hidden Federal manufacturers' excise tax of \$1.47 on each new tire. On all new windshield wipers, spark plugs or other parts "he pays a manufacturers' excise tax of 5 percent, which is covered in the price charged." If he takes pictures, he pays a Federal excise tax of 15 percent which is added to the price of the film he uses. Ten percent is added in Federal Government tax levies on a new tennis racket or a new golf club, and 11 percent for any cartridges he uses.

The vacationer who uses the common carriers, going by rail or air, pays a Federal tax of 15 percent. The Federal tax on a first-class rail passenger ticket, in-

cluding lower berth, from New York to Los Angeles, amounts to \$39.66, which logically could be considered by the payer as his contribution to the current government's extravagance.

#### FORTY MILLION AMERICANS NOT WELL OFF

In view of the unproductive uses these tremendous tax levies have been put to, it is interesting to note that in the United States there are 30,000,000 Americans who still have no kitchen sinks, and 40,000,000 who have neither bathtub or modern toilet facilities. Every one of these 40,000,000 Americans is paying in every cigarette he smokes, and in every necessity of life he buys, for the upkeep of such total extravagance as the British medical plan by which any Britisher can get free false teeth, free eye glasses, free X-rays, free operations, and free toupees. If any one of these 40,000,000 Americans and presumably, perhaps, 100,000,000 others in modest earning brackets, suddenly found it necessary to spend several thousand dollars for hospital services, including X-rays and operation fees, or additional sums for expensive dental work, he would have no choice but to do without, no matter what inconvenience or suffering it caused him. There is an inequity here which it would seem could usefully be pointed out to Americans.

#### CONSUMER FOOTS THE BILL

In closing, I merely wish to say that every appropriation passed by the Congress of the United States, every budget sent to the Congress by the President, every State and local expenditure, comes from the ultimate user of the product. It does not come from corporations, partnerships, or business organizations, because all taxes are added to the cost of doing business.

#### AGE-OLD BALONEY

Therefore, the people of the United States, are still falling for the age-old baloney that "It does not cost you anything; all they do is add it to the corporation's cost of doing business."

#### INDIVIDUALS EAT THE SAME

The rich men, if they were to examine this subject, would see that whether a man has \$10,000,000, \$10, or 10 cents, he wears and eats and uses approximately the same amount of things in ordinary everyday life, or perhaps a little more as he becomes more affluent. But everyone must have these necessities, and the price of a product includes its share of every appropriation passed by the Congress of the United States, as an indirect tax.

#### THE CALENDAR

Mr. LUCAS. Mr. President, as I stated earlier in the day, there are three bills on the calendar which were reported yesterday. I ask unanimous consent that the Senate proceed to the consideration of the calendar, beginning with Order No. 1215, House bill 6109.

The PRESIDING OFFICER. Is there objection?

Mr. IVES. Mr. President, reserving the right to object, I should like to ask the able Senator from Illinois if his unanimous-consent request applies solely to those three bills.

Mr. LUCAS. The unanimous consent applies only to those three bills. If consideration is desired for other bills, unanimous consent will have to be asked. They are not included in my unanimous-consent request.

Mr. IVES. Then the Senator from New York has no objection?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. LUCAS. Mr. President, I presume we should have a quorum call, although only three bills are involved. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Magnuson
Anderson	Hoey	Malone
Baldwin	Holland	Martin
Brewster	Ives	Millikin
Bridges	Johnson, Colo.	Morse
Byrd	Johnson, Tex.	Myers
Cain	Johnston, S. C.	Neely
Capehart	Kem	O'Connor
Chapman	Kerr	O'Mahoney
Connally	Kilgore	Pepper
Cordon	Knowland	Russell
Donnell	Langer	Saltonstall
Dworschak	Leahy	Schoeppel
Ecton	Lodge	Smith, Maine
Fulbright	Long	Thomas, Utah
George	Lucas	Watkins
Graham	McCarthy	Wherry
Gurney	McFarland	Williams
Hayden	McKellar	Young
Hickenlooper	McMahon	

The PRESIDING OFFICER. A quorum is present.

Under the order which has been entered by unanimous consent, the Senate will now take up the calendar, beginning with Calendar No. 1215, House bill 6109, which will be stated by title.

#### CONSENT OF CONGRESS TO AN INTER-STATE COMPACT CONCERNING A MISSISSIPPI RIVER BRIDGE

The LEGISLATIVE CLERK. A bill (H. R. 6109) granting the consent of Congress to a compact or agreement between the State of Tennessee and the State of Missouri concerning a Tennessee-Missouri Bridge Commission, and for other purposes.

Mr. KEM. Mr. President, the report of the Committee on Public Works on this measure has been submitted by the senior Senator from California [Mr. DOWNEY].

The bill provides for granting the consent of Congress to a compact or agreement between the State of Tennessee and the State of Missouri for the construction of a bridge near Caruthersville, Mo., adjoining the States of Tennessee and Missouri. The proposed bridge is to be constructed under the provisions of the General Bridge Act of 1946; and the terms of the compact and agreement follow the policy of Congress, as set forth in that act, relative to the amortization of the cost of the bridge and its operation free from tolls after the payment of the bonds which are to be used to finance the construction of the bridge.

Mr. President, it is hoped that the passage of this bill will lead to the prompt construction of the bridge, which, when completed, will form a connection between an important and an exceedingly fertile section of Missouri, known famil-

ially and affectionately by Missourians as the Boot Heel, and the State of Tennessee. The bridge is an important and desirable public improvement. I hope the Senate will act favorably upon this measure.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. McKELLAR. Mr. President, the bridge will not only be of vast importance to the States of Tennessee and Missouri, but also to the State of Arkansas, which practically will adjoin the bridge, and to the State of Kentucky and to the State of Illinois. For those reasons, I sincerely hope there will be no objection to this measure.

The people of my State are overwhelmingly in favor of it. I doubt if there is a person against it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. DONNELL. Mr. President, I should like to be heard briefly in support of the bill.

At the present time, the nearest bridge to the north of the site where this bridge will be constructed is the one which crosses from Cairo, Ill., to Bird's Point, Mo. I understand that the distance by road from Caruthersville, Mo., at or near which the new bridge is to be constructed, to Bird's Point is about 92 miles via highway.

The nearest bridge to the south of where the proposed bridge is to be constructed is one of the bridges at Memphis, which leads, as I understand, to West Memphis.

Mr. McKELLAR. Yes; that is what it is called. It is really in Arkansas.

Mr. DONNELL. The distance from Caruthersville, Mo., to the point where the bridge crosses from Arkansas to Memphis, as I understand, is by the highway in the neighborhood of 100 miles.

Mr. McKELLAR. The Senator is correct about that.

Mr. DONNELL. Mr. President, my distinguished colleague from Missouri has very clearly stated the advantages to be derived, generally speaking, from the bridge. I should like to emphasize a few facts which I think are of importance. One is, I think that the national security can reasonably be considered as being enhanced by the transportation facility which will be afforded by the new bridge. In other words, the national security will be greater if an intermediate bridge between Cairo and Memphis is constructed.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Tennessee?

Mr. DONNELL. I yield.

Mr. McKELLAR. Is it not true that under the terms of the bill and under the terms of the compact which has been entered into between Missouri and Tennessee, it will not cost the Government a cent to build the bridge across the great Mississippi River, and that eventually the bridge will be open, free of toll?

Mr. DONNELL. Mr. President, it is my understanding that this is contemplated. Of course, for a time, tolls will necessarily be collected; but it is my

understanding that after the bonds shall have been paid off there will be freedom from tolls.

Mr. President, the bridge will act as a connecting link between the West and the section of Tennessee in which the atomic bomb plant is located.

I take it there will be increased safety as compared with the present situation, in which transportation across the river at or near Caruthersville, Mo., is confined to ferry. My distinguished colleague from Missouri is doubtless familiar, as I am, with the tragedies which have occurred as a result of ferry accidents, at or near Caruthersville.

Furthermore, Mr. President, the bridge will facilitate the transportation of agricultural products, notably, alfalfa and corn, to Tennessee from Missouri, and there is I understand, much dairying in Tennessee. It will facilitate also, conversely, the transportation of truck crops from western Tennessee to southeastern Missouri. It will provide a better opportunity for exchange of labor during harvest times. It will provide an increased opportunity for persons west of the Mississippi River to enjoy the recreational area of Real Foot Lake and the Tennessee River Lake, and conversely will permit easier access to the Ozarks by vacationists coming over to Missouri from the nearby State of Tennessee.

Mr. President, there are other matters I might mention, but suffice it to say on this phase of the subject that in my judgment it is important and advisable that the bill be passed.

I desire to call attention, however, if I may, to one further fact which I think the Record should show. After I had read in the bill that the compact creates a body corporate, I wondered how it was possible for the Attorney General of each of the 2 States and certain individuals to create, by their compact, a corporation. I discovered thereafter that both the Missouri General Assembly, by Senate bill 153, Sixty-fifth General Assembly, and the Tennessee General Assembly, by House bill 981, chapter 168 of the public acts of 1949, have passed enabling legislation. But the particular fact, Mr. President, to which I think attention should be called is that the General Assembly of Tennessee seems inadvertently to have left out a very important word in one of the powers granted to the commission. The word is "bonds." The importance of that word is that among the important powers granted to the Commission by the Legislature of Missouri and intended to be granted, I am quite confident, by the Legislature of Tennessee, is "to issue bonds on the security of the revenues derived from the operation of the bridge and ferries," and so forth. But the Legislature of Tennessee, in the sentence on that point, simply stated "to issue on the security of the revenues," and so forth, and omitted the word "bonds" after the word "issue." The context later in the paragraph I think quite clearly indicates that it was the intent of the Tennessee Legislature to have the word "bonds" included. But I should not be surprised, Mr. President, that careful bond attorneys may require some further action by the Legislature of Ten-

nessee. This, however, does not in any sense militate in my mind against support of the bill. I am for the bill, but I desire it to be shown of record that that defect exists in the legislation of the State of Tennessee.

I hope the bill will be passed.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 6109) granting the consent of Congress to a compact or agreement between the State of Tennessee and the State of Missouri concerning a Tennessee-Missouri Bridge Commission, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

#### RETURN TO MEXICO OF FLAGS, ETC., CAPTURED IN THE MEXICAN WAR

The joint resolution (S. J. Res. 133) authorizing the return to Mexico of the flags, standards, colors, and emblems that were captured by the United States in the Mexican War, was considered ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Resolved, etc.,* That the President is authorized to cause to be delivered to the Government of the Republic of Mexico, with such escort and such appropriate ceremony as he shall deem proper, the flags, standards, colors, and emblems of that country which were captured by the military forces of the United States in the Mexican War of 1846-48 and are now in the custody of the National Military Establishment.

Sec. 2. Such sums as are necessary to carry out the purposes of this joint resolution are hereby authorized to be appropriated.

#### RELIEF OF CERTAIN MEMBERS OF THE ARMY NURSE CORPS

The bill (S. 849) for the relief of certain persons who, while serving as members of the Army Nurse Corps, were commissioned as officers in the Army of the United States but were not paid the full amounts of pay and allowances payable to officers of their grade and length of service, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. CORDON. Mr. President, I ask for an explanation of the bill. I do not mean as to what the bill will do; that is perfectly apparent from the bill itself. I desire, first, an explanation as to whether, the bill being limited to two persons, there is likelihood that, first, there may be other persons who are entitled to like relief, all of whom might be granted the relief by a bill going to classes rather than to individuals. I am also interested in the fact that it would appear to me the bill should have been referred to the Armed Services Committee. I should like to have information with reference to the first matter I have mentioned.

Mr. KILGORE. Mr. President, this is a case involving merely a mistake in legislation. Similar commissions were granted to members of the WAC, to women who served as officers in the Navy, and in other service branches, at the outbreak of the war. In the endeavor to build up the Army Nurse Corps, of which there is no greater organization in



the United States, the Army granted the commission of colonel to one Army nurse, and the commission of lieutenant colonel to another Army nurse. The Comptroller General opposed payment to them because there was no law authorizing a female to be an officer of the United States Army.

As originally introduced the bill was general in character, based on a claim of a general nature. The Judiciary Committee decided to reduce it to the two persons, because they are the only ones affected by it, so far as we could learn. The two proceeded to do the work assigned to them. They proceeded to organize the Army Nurse Corps, and carried on its administration, just as they would have done had they been in the WAC's, the WAVES, or any of the other women's organizations of the armed services. They were penalized, because it so happened that it was not permitted to commission an officer in the Army Nurse Corps. It is merely a special-claim bill. It does not affect anyone else. It allows the claimants to receive pay amounting to \$3,000, between them, which they would have received had the commissions been valid. That was the basis of the objection of the Comptroller General.

The interpretation of the Army was that it had the right to give them temporary commissions, and they went ahead and functioned under them.

The question has now come up, and we are faced with the situation described. It is a small matter. The bill is designed merely to recompense two very worthy women for the very worth-while job done by them. Had they been in any other branch of the service, such as the WAC's, the WAVES, or the Navy Nurse Corps, they would have received the pay. But it so happens they were in the Army Nurse Corps.

Mr. CORDON. Mr. President, did I correctly understand the Senator to say that the committee had definite, certain knowledge that these persons were the only two nurses commissioned by the Army who might be subject to the same situation?

Mr. KILGORE. That was our information. But in order to safeguard against any further claims which might arise, we made the bill a private-claim bill by amendment.

I should like to have the Senator from Missouri [Mr. DONNELL] say a further word on the question, because he was very active in the debate which took place in the committee.

Mr. DONNELL. Mr. President, I had either risen or was about to rise to request permission to say a few words in regard to this bill. I am quite keenly alive to the point which the distinguished Senator from Oregon makes with respect to the impropriety, in some instances, of specific legislation confined to specific individuals as opposed to general legislation. I will say to him that, as a general proposition, I think I have been, at least in the main, strongly in advocacy of only general legislation where general legislation could be had, instead of special legislation. It was, however, I think, largely if not entirely, at my suggestion that in this case we did not adopt that

plan, but changed the bill from general legislation to specific legislation.

It is a little difficult to go back several weeks and be entirely certain of the exact mental process through which I went, but, as I recall, my thought, generally speaking, was that should we pass general legislation it might very well leave the impression that there was a considerable number of persons within this category, and thereby we might conceal the fact that there were only two persons who were seeking relief. I thought it better that the bill should specifically set forth the fact that these were the two persons who were seeking relief.

While I am, in general, quite in harmony with the Senator from Oregon, I am quite sure it was largely, if not entirely, at my insistence that the Committee on the Judiciary adopted this plan in the instant case.

May I ask the Senator from West Virginia if I am correct in that statement?

Mr. KILGORE. They were the only two persons who were certified to us by the Army.

Mr. DONNELL. I should like to ask the Senator whether the statement I have made is correct?

Mr. KILGORE. It is absolutely correct. These persons were the only two persons certified; so at the suggestion of the Senator from Missouri we made it a special claim bill rather than a general bill.

Mr. CORDON. Mr. President, I am afraid that I shall be constrained to object to the consideration of the bill, on the ground that the bill, as originally prepared as a general bill, properly should have had cognizance by the Armed Services Committee as general legislation in the field of national defense. While I regret that it may take a little time before these two persons may be properly recompensed for their services—and I certainly am not objecting on the ground that they should not be recompensed, because I think they should be—it seems to me the Senate at this late time should not act upon the bill, in view of the fact that there may be other persons in the same situation who should also have their claims equitably adjusted. I think the matter should properly wait until the Armed Services Committee itself may give attention to the principle involved. Under the circumstances, I object.

Mr. KILGORE. Mr. President, will the Senator yield a moment for a question, while he is on his feet?

Mr. CORDON. I yield.

Mr. KILGORE. The Navy, as the Senator well knows, commissioned its Nurses Corps long before the outbreak of the war. The Army failed to do that. These two women, who performed the same duty, are being penalized by reason of the negligence of the Congress and the negligence of the United States Army. They did the work. Others were paid for doing work of a similar kind. Here is a special claim bill as to which there is no question raised that they did the work. The committee, realizing that there should be an authorization and a correction made by the appropriate committee of the Senate, and, on its rec-

ommendation, by the Congress, limited it to two persons who were proved to have done the work.

I think it is somewhat of a travesty on equity and a joke on justice that these persons should be compelled to wait. We shall have to pass an ex post facto law—if the distinguished Presiding Officer can tell me how it can be done—and go clear back to 1941, which would give authority for these commissions, before we could pay anything except upon a private claim bill. To me the objection seems to be inequitably founded rather than equitably founded. We are trying to correct an inequity which grew up in the days when naval bills were handled by the Naval Affairs Committee and military bills were handled by the Military Affairs Committee, and they frequently failed to keep up with each other. Frequently there were inequities between the two services.

There has been no question raised that these women did their duty, and, in commensurate positions in the United States Navy, they would have received their pay, but, due to the fact that a congressional committee and an executive department have said that a female person could not be an officer in the United States Army, despite the fact that a female person could be a Wac in the United States Army, or a Wave in the United States Navy, or a Spar in the Coast Guard—I do not know what they call them in the Marine Corps—these nurses, who did the necessary job of taking care of our wounded soldiers and helping to build up the Army Nurse Corps, must be penalized. If the Senate of the United States wants to take that stand, I shall quietly sit down.

Mr. CORDON. Mr. President, the Senator from West Virginia is most eloquent, but my opinion is that his argument does not go to the point which I raised, and I therefore renew my objection.

The PRESIDING OFFICER. Objection is heard. The bill will be passed over.

Mr. KILGORE subsequently said: Mr. President, in order to satisfy the Senator from Oregon, I desire unanimous consent at this time that Senate bill 849, Calendar No. 1218, which I still maintain was properly referred to the Senate Committee on the Judiciary, shall be referred at this time to the Senate Committee on Armed Services for action.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CORDON. Mr. President, in my humble opinion the bill should have gone to the Committee on Armed Services, and I believe there is a better chance, with the bill in that committee, to have the full matter examined and justice done to all who may have been involved.

DIXIE MARGARINE CO.

Mr. McKELLAR. Mr. President, sometime ago Calendar No. 321, Senate bill 1086, was called. That bill provides for the payment of \$69,530.40 to the Dixie Margarine Co., of Memphis, Tenn. I was not present when it was called, because I was in the Committee on Appropriations at the time. This bill is a

result of litigation which went to the Supreme Court of the United States. That Court held that the company was entitled to the \$69,530.40. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 1086, if there be no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. SCHOEPEL. I must object, Mr. President.

The PRESIDING OFFICER. The Senator from Kansas objects.

Mr. McKELLAR. That ends it, then, Mr. President. I greatly regret it. If the Senator will yield to me—

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

#### NOMINATIONS OF POSTMASTERS

Mr. McKELLAR. Mr. President, there were 68 postmasters' nominations which have come in within the past few days, and they have been approved by many Senators, so I am informed, and have been authorized by the committee. I ask unanimous consent, as in executive session, that the nominations of these postmasters may be considered and confirmed en bloc.

Mr. DONNELL. Mr. President, reserving the right to object, is the list printed for the inspection of Senators?

Mr. JOHNSTON of South Carolina. Mr. President, as I understand, it is customary on the last day the Senate is in session for the committee to report nominations of postmasters. Of course, we cannot have them printed on the Executive Calendar. We report them unanimously. So far as I know, there is no opposition on the part of any Senator.

Mr. RUSSELL. Mr. President, have these nominations been submitted to the Senators from the States where the post offices are located?

Mr. JOHNSTON of South Carolina. They have, in the customary way, and we have received back the cards from the Senators, or they have called back telling us that they did not object to the nominations.

Mr. DONNELL. Mr. President, how recently were the Senators consulted with respect to the nominations?

Mr. JOHNSTON of South Carolina. The reason why this matter is being handled in this manner is that the nominations were sent yesterday or the day before from the White House to the Senate, and we had to handle them quickly.

Mr. SALTONSTALL. Mr. President, in behalf of the Senator from South Carolina, I may say that I was spoken to yesterday regarding the appointments in Massachusetts, and I sent back word that so far as the appointments related to Massachusetts, I had no objection.

Mr. KILGORE. I may say that the same comment applies to the nominations in West Virginia.

Mr. DONNELL. Mr. President, does the Senator from South Carolina know whether or not at least one Senator from each of the States to which these nominations refer has been consulted, and has made no objection?

Mr. JOHNSTON of South Carolina. I can go further and say that both Senators have been consulted, and there is no objection.

Mr. DONNELL. I did not make clear what my inquiry was. The distinguished Senator and I are both aware of the fact that many Senators are away, and it may be that both the Senators from a State may be out of the city. The mere fact that we have heard nothing against a nomination is not necessarily conclusive that a Senator has received word and has had opportunity to object.

Mr. JOHNSTON of South Carolina. Some of the Senators who were going away were contacted prior to their leaving, and they knew of the postmaster nominations which were coming in, and gave their approval. My colleague, the senior Senator from South Carolina [Mr. MAYBANK] came to me and said, "I give my approval to any nomination of a postmaster in South Carolina that comes in." A similar experience occurred as to several of the nominations.

Mr. DONNELL. Mr. President, can the Senator and does he give assurance that at least one Senator from each of the States to which these respective appointments apply has been consulted, and that no objection has been had from the Senators from any of the States?

Mr. JOHNSTON of South Carolina. That is true.

Mr. DONNELL. I have no objection. The PRESIDING OFFICER. Without objection, the nominations are received; and without objection, they are confirmed en bloc, and the President will be immediately notified in each instance.

#### EXECUTIVE SESSION

Mr. RUSSELL. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER [Mr. HOEY in the chair]. Reports of committees are in order. If there be no reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

#### DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Mrs. Eugenie Anderson, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

Mr. DONNELL. Mr. President, may I inquire of the distinguished acting minority leader what has been the experience of Mrs. Eugenie Anderson, and the qualifications she possesses for this appointment?

Mr. RUSSELL. Mr. President, I regret very much that I am not a member of the Committee on Foreign Relations, and I have no information whatever concerning the nominee. The Senator from Connecticut [Mr. McMAHON] is a member of the committee, and perhaps can cast some light on the matter.

Mr. McMAHON. Mr. President, I do not know the nominee personally, but as a member of the Committee on Foreign Relations I passed upon the nomination. We had read to us by the chairman, the

Senator from Texas [Mr. CONNALLY], a complete history of her past activities, and a biographical sketch of her career.

Mrs. Anderson seems to be a most distinguished woman, of fine accomplishments. She was educated in Stephens College, in Missouri, the State of the senior Senator from Missouri, now acting as minority leader. She took advanced work in a couple of other colleges the names of which I have forgotten. She married quite a distinguished artist, and they have two children. She is about 40 years of age.

Mrs. Anderson has been interested all her adult life in matters civic and political, and she has taken a very active part in the political life of Minnesota. I believe that at the present time she is, or until her designation she was, the democratic national committeewoman from Minnesota.

Mrs. Anderson seems to have a host of friends, she has a pleasant personality, from what we were told in the committee, and she is a woman, as I have said, of distinguished accomplishments. From what we were told, I believe she would make a fine representative of this Government. There was no objection from any member of the committee.

Mr. DONNELL. Mr. President, I appreciate the statement made by the Senator, and I do not want the suggestion which I am about to make to be interpreted in the slightest as a reflection on Mrs. Anderson. I have read something of her accomplishments in the press, but in view of the fact that we are about to pass upon the nomination of an Ambassador, and the nominations of certain career ministers, and I assume it is the intention of the distinguished majority leader to ask that we pass upon the nominations to the Federal Trade Commission, the Federal Power Commission, chairman of a liaison committee to the Atomic Energy Commission, and others, I consider we should have a quorum, beyond doubt, and I therefore suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. O'CONNOR in the chair). The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Hill	Magnuson
Anderson	Hoey	Malone
Baldwin	Holland	Martin
Brewster	Humphrey	Millikin
Bridges	Ives	Morse
Byrd	Johnson, Colo.	Myers
Cain	Johnson, Tex.	Neely
Capehart	Johnston, S. C.	O'Connor
Chapman	Kem	O'Mahoney
Connally	Kerr	Pepper
Cordon	Kilgore	Russell
Donnell	Knowland	Saltonstall
Downey	Langer	Schoeppel
Dworshak	Leahy	Smith, Maine
Eaton	Lodge	Thomas, Utah
Fulbright	Long	Watkins
George	Lucas	Wherry
Graham	McCarthy	Williams
Gurney	McFarland	Young
Hayden	McKellar	
Hickenlooper	McMahon	

The VICE PRESIDENT. A quorum is present.

The question is, Will the Senate advise and consent to the nomination of Mrs. Eugenie Anderson, of Minnesota, to be



Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark?

Mr. HUMPHREY. Mr. President, I understand that the acting minority leader, the distinguished senior Senator from Missouri [Mr. DONNELL] has reserved the right to object in reference to the nomination and appointment of Mrs. Anderson as Ambassador to Denmark.

I am very happy to state that Mrs. Anderson is a citizen of the State of Minnesota, and is one of the distinguished women of our State. I thought possibly the acting minority leader would like to have a more intimate and personal glimpse into her background and her training and study, which qualify her for this very important post.

I shall submit for the RECORD a complete biographical sketch which will outline her record and her family background. Mrs. Anderson's father was a very prominent Methodist clergyman in the State of Nebraska.

She herself is a graduate of Stephens College and of Carleton College, and also has done graduate work at the University of Chicago. Her husband is a well-respected and well-known farm manager in Minnesota, a gentleman who not only operates a large farm, but also a laboratory in the field of medical research. Also, he has engaged in art and is an accomplished artist in his own right.

Mr. and Mrs. Anderson have two very wonderful children. Both have been active in their respective work in the schools and in 4-H Club activities.

I believe the acting minority leader would like to know that this fine woman, who has been recommended for this post, has been extremely active in the League of Women Voters for more than 6 years, in the State of Minnesota. She served as a member of the State board and as chairman of the speakers' bureau.

I can honestly say that in my humble judgment she is one of the best informed and one of the most enlightened women in our State. Her qualifications go far beyond the jurisdictional limits of the State of Minnesota. She has a keen understanding and an ever-present knowledge of international affairs and world politics.

In the past 5 years she has actively participated in the politics of the State of Minnesota; and at present she is the Democratic national committee woman for Minnesota. I point with justifiable pride to her position as Democratic national committee woman. She has been respected by every group in our State for her excellent qualifications, her training, her knowledge, and her enlightenment. I know she will serve with distinction.

A fine precedent is being established by this appointment.

Mrs. Anderson will convey to the people of Denmark the real spirit of the people of this country. She represents the body of citizenry of this Nation.

It has been my candid judgment that, many times, those upon whom we have relied to convey the spirit of American life to the peoples of other countries have not been equipped to do so. I am

confident that Mrs. Anderson will serve that purpose well. She understands the small community; she understands the problems of both rural and urban life.

In our State of Minnesota we have thousands and thousands of people of Danish extraction, and she understands their way of life. Many of such people live in her community, in her neighborhood. Mrs. Anderson has traveled abroad. She spent several months in Europe in 1937. She came back to this country after that trip and pointed out not only the ideological threat but the military threat of fascism and nazism, which were then on the march in Europe.

I might point out to Members of the Senate that she is an avowed anti-Communist. She was extremely active in our State in the successful effort to clean out from the political structure those having Communist sympathies, and those who were in any way connected with the Communist Party.

She has proved her ability not only as a mother but as a community leader and as a responsible American citizen. I hope the Senate will see fit to confirm her nomination. It will be a great honor for the State of Minnesota and an honor for the women of America to have such a splendid representative serving them so well.

I ask unanimous consent that the biographical sketch to which I have referred may be printed in the RECORD at this point.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF MRS. EUGENIA ANDERSON, RED WING, MINN.

Born May 26, 1909, Adair, Iowa.

Mrs. Anderson comes from a family of educators, doctors, clergymen, and lawyers. Her father, E. A. Moore, a graduate of the University of Nebraska and of the Boston University Theological Seminary, was a Methodist clergyman, and her mother, Flora B. McMillen, a graduate of Cornell College, was a teacher before her marriage. Rev. and Mrs. Moore were the parents of five children, who hold degrees from leading universities, two of whom are members of Phi Beta Kappa, and all of whom are active in educational and scientific fields.

Mrs. Anderson was married in 1930 to John P. Anderson. Her husband's family, of Swedish descent, likewise is a family of scientists and educators, her husband's father having been a noted inventor, scientist, and philanthropist. Mr. Anderson was educated at the University of Chicago and the Yale School of Art, and has traveled extensively in this country and abroad. He is an artist and photographer, as well as being the manager of his farm and serving as a director of a research laboratory there. Having lived on a farm for 17 years and participated in its management, Mrs. Anderson has acquired a first-hand knowledge of agricultural and business problems. Mr. and Mrs. Anderson are ardent patrons of art. Their home has long been the frequent gathering place of scholars, artists, scientists, and statesmen. They are the parents of two talented children, aged 15 and 11, who are leaders in scholastic and 4-H Club activities.

Mrs. Anderson graduated with honors from high school in only 2½ years, having been a leader in forensic activities. She attended Stephens College and Carleton College, where she was again an honor student, with majors in education, philosophy, and music. She also emphasized the study of modern lan-

guages (French and German) and political science. She helped to earn her own way through college by working in a business office and by teaching music.

After her marriage she continued the study of music in New York City at the Institute of Musical Art. She later studied child psychology with the noted psychologist, Dr. Charlotte Buehler, and also attended several seminars at the Institute of General Semantics in Chicago.

Long a serious student of social questions, Mrs. Anderson began an intensive study of international relations after a trip to Europe in 1937, when she saw the menace of nazism in Germany. She also spent considerable time in Paris and in southern France, in Austria, Czechoslovakia, and the Netherlands. Mrs. Anderson has also traveled widely in the United States.

Mrs. Anderson has been a member of the board of education in her community since 1945. Always interested in educational problems, she earlier organized and directed for 3 years a nursery school in Red Wing, Minn. She also organized and has supervised for 4 years a school-lunch program at the consolidated school which her children have attended. Other community activities include local chairmanship of the Red Cross and participation in war bond drives.

Mrs. Anderson was an active member of the League of Women Voters for about 6 years, prior to her entry into partisan politics, having served as a member of the board and of the speakers bureau for the League of Women Voters. As a spokesman for the league she has done extensive lecturing on the United Nations, on the Baruch plan of atomic energy control, and other aspects of our foreign policy, such as the Marshall plan and the Atlantic Pact.

In addition to speaking before the League of Women Voters groups, Mrs. Anderson has appeared before church groups, farm and trade-union organizations. Because of her unusual persuasiveness and her background of information, she has always been in great demand as a speaker. She has also written a number of articles dealing with social and political problems.

In addition to her activities in the League of Women Voters for many years, she was active in the Minnesota United Nations Committee and in the Minnesota chapter of Americans for Democratic Action.

Because of her concern with the international situation, Mrs. Anderson entered the Democratic Farmer-Labor Party actively in 1944, and thereafter quickly rose to prominent positions of responsibility, having been the first woman to serve as chairman of a congressional district, and having been one of the youngest members of the Democratic National Committee.

Shortly after her entry into partisan politics she became a leader in the anti-Communist movement in Minnesota, and spearheaded the drive which ousted them from control of the DFL Party. She is today a militant foe of any Communist Party influence.

Mr. DONNELL. Mr. President, I take this opportunity to thank the distinguished Senator from Minnesota for this most interesting and informative statement which he has made. I want him to understand that the reservation of the right to object was distinctly indicated not to constitute an objection on my part.

Mr. HUMPHREY. I understand.

Mr. DONNELL. I thought it well for us to have such information as we might obtain, and also that we might have a quorum of the Senate present in passing upon this and other nominations.

The Senator has referred to a precedent. I recall with much interest and

pleasure the privilege which my wife and I have had in knowing the distinguished daughter of a great American, William Jennings Bryan, Mrs. Ruth Bryan Rohde, who served as United States Minister to Denmark.

Mr. HUMPHREY. That is correct.

Mr. DONNELL. I can assure the distinguished Senator that if Mrs. Anderson shall measure up to the qualifications of Mrs. Rohde, in my opinion she will prove herself in this capacity to be a woman of great ability and will render great service to our Nation.

So far as I am personally concerned, there will be no objection to the confirmation of the nomination of Mrs. Anderson, and if it shall be confirmed, I am sure I speak the sentiment of the Senate, not alone in acknowledging this very gracious recognition of womanhood in America, but also in extending to her our most cordial best wishes for a successful career in the diplomatic service of our Nation.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Mrs. Eugenie Anderson, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark?

The nomination was confirmed.

The VICE PRESIDENT. Without objection, the President will be notified forthwith of her confirmation.

#### CAREER MINISTERS, FOREIGN SERVICE

The Chief Clerk read the nomination of Lewis Clark, to be a career minister of the United States of America.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of John Dewey Hickerson, to be a career minister of the United States of America.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Edwin A. Piitt, to be a career minister of the United States of America.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### FEDERAL TRADE COMMISSION

The Chief Clerk read the nomination of James M. Mead to be a member of the Federal Trade Commission.

Mr. IVES. Mr. President, I do not like to have this occasion pass without saying a word in reference to my old and very good friend, my distinguished predecessor, the former Senator from New York, James M. Mead. I am very glad, indeed, to see this recognition come to Jim Mead. I feel that he is deserving of it. He has had a distinguished career in the New York State Legislature, in the House of Representatives, and in the Senate of the United States. I am sure he will do an excellent job. I wish for him the utmost in success and happiness in his future work.

Mr. MAGNUSON. Mr. President, I merely wish to associate myself with the remarks of the Senator from New York regarding our former colleague, James M. Mead. It goes without saying that most of the Members of the Senate, and particularly those who have served in the House previous to their service in the Senate, know Jim Mead well. He had,

I may say, an amazing career in the Congress of the United States. He has been elected by the people in New York to public office over a span of 33 long years. He served in the House for 20 years. He served in this body more than 8 years. Inasmuch as the Federal Trade Commission is an arm of the Congress, I am sure he will bring to that body a most intelligent understanding not only of the work of the Federal Trade Commission but of its real purposes in being an arm of the legislative body.

Mr. McKELLAR. Mr. President, many, many years ago I served in the House with Jim Mead. Later, I served in the Senate with him. I always found him a most delightful and attractive man and a most efficient and able Representative and Senator. I join my colleagues in wishing him a splendid career on the Federal Trade Commission, to which he has been appointed.

Mr. DONNELL. Mr. President, I shall not trespass but a moment upon the time of the Senate, but I would feel that I was not performing my full duty if I did not say merely a word with respect to our former colleague, Senator Mead. It was my privilege to serve with him on the Committee on Post Offices and Post Roads of the Senate a few years ago, and I came to have the very highest regard for him. In my judgment he will make a most excellent member of the Federal Trade Commission, and I am hoping his nomination will be unanimously confirmed by the Senate.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of James M. Mead to be a member of the Federal Trade Commission?

The nomination was confirmed.

The VICE PRESIDENT. Without objection, the President will be immediately notified.

#### FEDERAL POWER COMMISSION

The Chief Clerk read the nomination of Mon C. Wallgren to be a member of the Federal Power Commission.

Mr. LUCAS. Mr. President, I ask that the nomination be temporarily passed over, and that we proceed with the remaining nominations on the Executive Calendar.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ATOMIC ENERGY COMMISSION

The Chief Clerk read the nomination of Robert LeBaron to be chairman of the Military Liaison Committee to the Atomic Energy Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed. Without objection, the President will be immediately notified of the confirmation.

#### JUDGES OF THE UNITED STATES COURT OF APPEALS

The Chief Clerk read the nomination of Robert L. Russell to be a judge of the United States Court of Appeals for the Fifth Circuit.

Mr. DONNELL and Mr. HOLLAND addressed the Chair.

The VICE PRESIDENT. The Senator from Missouri.

Mr. DONNELL. Mr. President, I should like, with the permission of the

distinguished acting chairman of the Committee on the Judiciary, to say merely a word with respect to the two judges whose nominations for judgeships on the United States Court of Appeals are before the Senate at this moment for confirmation. It is not my privilege to know either of these two gentlemen, and as a general proposition, it has been my view, and I think that of the Judiciary Committee, that in passing upon nominees to judicial positions we should thoroughly investigate, after the opportunity, at any rate, for hearing, and after the lapse of a reasonable time during which persons who might desire to be present at such hearings would have the opportunity of notification of the time and place thereof. In the case of these two gentlemen, however, Messrs. Russell and Borah, the Senate Judiciary Committee, and I as one member of it, learned of certain facts which led us to the view that we should not insist upon this usual course of procedure. The facts, generally speaking, are the great need of additional judges upon the particular court of appeals to which they have been nominated, and, in the second place, the fact that these two gentlemen could scarcely be expected to resign their present offices as United States district judges and throw themselves upon the hazard of what might transpire should the nominations not now be confirmed to these judgeships.

So, Mr. President, as one member of the Judiciary Committee, I desire to make it clear that in consenting to and, in fact, advocating that we should waive the rule with respect to these two gentlemen, I am not in any sense, I think, a party to any precedent as to any general course of action which would forego the necessity of hearings with regard to any further nominees for judges of courts of the United States. I am personally very pleased to have these nominations brought before the Senate at this time for action.

Mr. KILGORE. Mr. President, in furtherance of the statement made by my distinguished colleague from Missouri, I should like to say with reference to Judge Russell and Judge Borah, that they had been on the district bench for a long time. We were faced by the fact that only 4 out of 6 judges are left on the Circuit Court of Appeals to which they have been appointed. It was a desperate situation. That is the reason for the activity of the Judiciary Committee in trying to cure a bad situation in a circuit by approving without the usual notice the nominations of two judges whose ability was well known and had been tried for more than 16 years as district judges.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Judge Robert L. Russell to be a judge of the United States Court of Appeals for the Fifth Circuit?

The nomination was confirmed.

Mr. HOLLAND. Mr. President, I am happy to rise to make a few remarks with reference to Judge Russell, but more particularly with reference to his distinguished father, Judge Richard B. Russell, Sr., whom I had the privilege of



knowing. I am happy that the Senate had already unanimously confirmed the nomination before I rose to make these remarks.

This is a unique occasion, and I hope the Senators realize that such is the case.

When I was a young undergraduate at Emory College, in Georgia, in the year 1912, I went with other undergraduates to Atlanta, the State capital, where I had the pleasure of meeting and making the acquaintance of a judge who at the time was a judge of the court of appeals and who went out of his way to manifest kindness and generous friendliness to a group of youngsters who wanted to find out what they could about the courts. He made a deep impression upon me and, I am sure, upon the others who made that little journey, which could never be forgotten. I want the Senate to know that in confirming the nomination of one of his sons today, Judge Robert L. Russell, as judge of the circuit court of appeals for the fifth circuit, we are enabling that son to carry forward a tradition of judicial service which I think is without parallel in the recent past, at least in the Southland. Judge Richard B. Russell, Sr., was the father of our own distinguished colleague and also of Judge Russell whose nomination the Senate has just confirmed. He was born on April 27, 1861, near Marietta, Ga., the same little city which gave to the Nation Gen. Lucius Clay, whom we welcomed here a short while ago. Judge Russell was a graduate of the University of Georgia Law School. He devoted his life to public service in the administration of justice. He was solicitor general in the State courts from January 1889 to January 1897. He was judge of the western circuit of Georgia from January 1, 1899, to February 19, 1906. He was judge of the court of appeals from January 1, 1907, to June 5, 1916, the court of appeals being the appellate court just below the supreme court of the State. He was chief judge of the court of appeals for 3 years, from 1913 to 1916. He was chief justice of the Georgia Supreme Court from January 1, 1923, to December 1938, when he died in harness as the presiding chief justice of the Supreme Court of Georgia.

Mr. President, to me there is such value in tradition and in sentiment in a matter of this kind. I have a sense of very great appreciation to the President who has made this nomination, which the Senate has just confirmed unanimously, to thus continue in high judicial service this younger member of the distinguished house of Russell, after his years of able service as district judge in the northern district of Georgia, and to place him in the next to the highest judicial tribunal of our Nation, the circuit court of appeals.

Mr. President, while I am on my feet, I want to say that in later years, when I was a young lawyer, I had the pleasure of renewing my acquaintance from time to time with the distinguished father, and I found him always just as courteous and kindly as he had been when I was a young college boy and first made his acquaintance. Not only have he and his son, whom we have just confirmed as judge of the circuit court of appeals,

made outstanding contributions to the life of their State and to the life of the Nation, but the family as such has served so ably that I think it would be appropriate for the Senate to know exactly what the Senate has done today in confirming this nomination.

There are 13 children in this family, 7 sons and 6 daughters. The daughters are all married to honorable, upstanding and outstanding American citizens. The sons have all made their mark in life in one branch or another of important human activity. One son is, of course, our distinguished associate, the junior Senator from Georgia, who served as speaker of the house in his State legislature and as Governor of the State of Georgia, and has since served here in the Senate of the United States with distinction and dignity to the honor and credit of all the people in all the States of the United States of America.

But in addition to him and his brother who is now a member of the United States Circuit Court of Appeals for the Fifth Circuit, there are three other brothers who have attained eminence. Dr. Henry E. Russell is now serving as a Presbyterian minister in Montgomery, Alabama. It will be remembered that he acted as the Senate Chaplain at one time. He was a roommate, at Theological Seminary, of Dr. Peter Marshall, whom we all knew and revered.

Then there is Dr. Fielding Russell, who is a professor at State Teachers' College, Statesboro, Georgia.

Then there is Dr. Alex Russell, a practicing physician and surgeon of the old school, living at the old family home in Winder, Ga.

Another brother, William Russell, carries on the tradition of tilling the soil, being a farmer of success and distinction, who also lives at Winder, Ga.

Then there is a contribution to the Regular Army from this family, in the person of Maj. Walter Russell of the Regular Army of the United States.

But I think the happiest of all the facts which I want to communicate to the Senate is that there is one, not here today, who probably will get more serene joy out of what has just been done than will anyone else. I refer, of course, to the mother of these 13 children who has raised this group of God-fearing, fine children around her to call her blessed. I know she will rejoice more than will any other person living over the great distinction which has been conferred upon her worthy son, young Robert L. Russell. I felt that the Senate of the United States would want to know about Mrs. Ina Dillard Russell, the mother of our distinguished colleague and of the distinguished judge whose nomination we have today confirmed. She will rejoice over what we have done today to place her devoted son in the high path of judicial service traveled so faithfully for so many fruitful years by the illustrious father who passed away in 1938.

The Chief Clerk read the nomination of Wayne G. Borah to be judge of the United States Court of Appeals for the Fifth Circuit.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. GEORGE. Mr. President, I wish primarily to thank the Judiciary Committee for permitting consideration of the nominations to the fifth circuit. In the fifth circuit we have six judges, one from each of the States in the circuit. One of the judges from the State of Louisiana passed away, and Judge Borah of the district court was nominated by the President to the fifth circuit court of appeals, and his name is now before the Senate for confirmation.

Judge Robert L. Russell is also on the Federal bench, and is the senior district judge in Georgia. Of five judges he has been longer in service than the others. He has made for himself a distinguished career on the bench, and reflects the judicial quality so ably displayed by his distinguished father, who for a long number of years was connected with the courts of Georgia.

The Georgia Senators are especially appreciative of the fact that the Committee on the Judiciary were considerate enough to bring the nominations of these two judges to the floor of the Senate, because the fifth circuit is a very busy circuit, and because of the fact that there are now two vacancies on the bench, one the result of a death, and one the result of a resignation. Judge Russell himself has been sitting on the bench of the fifth circuit court of appeals for some time at various times, in order to enable the court to keep up its work.

We are especially appreciative, as I have said, for the consideration given in this case. We would not have been disposed to ask for consideration but for the fact that both these nominees are on the Federal bench, have had distinguished service on that bench, and are well known to the people of the fifth circuit. I can give assurance to the Senate that in both instances it is not confirming new judges, it is merely voting to confirm men who are now judges and who have been elevated to a higher bench for further distinguished service to the people of the fifth circuit.

Mr. President, I am very happy to join in what has been said with reference to Judge Robert L. Russell, and I am happy to say that from reputation, from my knowledge, and from my contact with the judges of the fifth circuit, I can give assurance of the high character and great ability of not only Judge Russell, but of Judge Borah, whose nomination is now before the Senate for confirmation.

Mr. LONG. Mr. President, the people of my State of Louisiana will be exceedingly pleased and happy to know that Judge Borah has been confirmed as a judge on the circuit court of appeals to succeed Judge Elmo P. Lee. As Senators know, the Louisiana system of jurisprudence is in many respects different from that of the rest of the Nation, because it is based in part on the French civil law, and it is necessary that a Louisianian, or at least someone familiar with the French civil law, should be on the circuit court of appeals for the fifth circuit, to see that a proper understanding of Louisiana jurisprudence is had in cases of a civil nature arising from my State. Therefore all Louisianians are gratified to know that Judge Borah has been named.

Furthermore, Judge Borah has made a distinguished record over a period of many years, one that would be a credit to any judge on any Federal court. He commands the admiration of the bar of my State as a judge, as well as a citizen. His decisions have been eminently fair, and he has rendered the highest and most faithful type of service to the Federal Government. Accordingly, he deserves, by every right, to be elevated as he has been.

Mr. KILGORE. Mr. President, in order that the record may be clear in this matter, in the cases of the two judges, due to exceptional circumstances, the Committee on the Judiciary by unanimous consent agreed to waive its longstanding rule requiring 7 days' notice, and reported the nominations by unanimous consent.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Wayne G. Borah to be judge of the United States Court of Appeals for the Fifth Circuit?

The nomination was confirmed.

#### UNITED STATES ATTORNEY

The Chief Clerk read the nomination of George Earl Hoffman to be United States attorney for the northern district of Florida.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### UNITED STATES MARSHAL

The Chief Clerk read the nomination of Rex Bryan Hawks to be United States marshal for the western district of Oklahoma.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### UNITED STATES AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the United States Air Force.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

#### THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Marine Corps.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

Without objection, the President will be immediately notified of all the nominations which have just been confirmed.

#### FEDERAL POWER COMMISSION

The Chief Clerk read the nomination of Mon C. Wallgren to be a member of the Federal Power Commission.

The VICE PRESIDENT. The question is: Will the Senate advise and consent to the nomination of Mon C. Wallgren, to be a member of the Federal Power Commission?

Mr. CAIN. Mr. President, up to this minute, this afternoon has been something of an inspiration to me as an individual. It has been good to sit quietly and listen to good things being said about those who deserve them. It is also good to be acquainted with and to have some association with those about whom good things can be said. May all of those, including the departing Senator from Connecticut [Mr. BALDWIN], who have

been discussed today be blessed with good fortune from now on.

Mr. President, the junior Senator from Washington will not long detain the Senate of the United States from taking action on the nomination of Mon C. Wallgren, of Washington State, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1954. I shall, however, speak frankly and sincerely, and I shall challenge, most respectfully, any Member of this body to prove that my conclusions are wrong.

Mr. President, the first the Senate knew of the nomination of Mr. Wallgren to the Federal Power Commission was yesterday morning at 11 o'clock, when the Senate convened. How many among us as individual Senators had prior notice that the nomination was coming to this floor yesterday morning I do not know. That some among us knew it, at least presumably, the day before, is both self-evident and obvious.

It was during the latter part of Monday afternoon when a unanimous-consent request was offered and agreed to which would permit the Committee on Interstate and Foreign Commerce to meet during the session of the Senate yesterday afternoon. Likewise, in yesterday morning's first edition of the Seattle Post Intelligencer, 3,000 miles from here, there was a news story to the effect that on yesterday the name of Mr. Wallgren would be sent to this body for action. The way was being prepared by somebody for action which is to be remarkably quick, if not considered.

Mr. President, because the junior Senator from Washington knew nothing of this nomination before yesterday, he is not qualified to judge whether the nominee has experience, background, and knowledge which are adequate for the duties and obligations of the Federal Power Commission.

As I, an individual Senator, am not able to render a considered judgment, I know of few among my colleagues who are. No hearings on the nomination were held and none apparently were intended. The large majority of those who are to vote today to approve the nomination will do so because they wish blindly to support a Presidential request or for personal reasons which are probably in most instances unrelated to the nominee's qualifications for an assignment on the Federal Power Commission. Should Mr. Wallgren be confirmed today I can only, and do, hope that he becomes a conscientious, honest, and capable public servant. Should he fail to acquire these virtues and requirements it can then at least be said by those who presently vote for the nominee's confirmation that he is but one member out of five members of the Commission and will be restrained by his colleagues from any misconduct which will impair the common good.

Mr. President, if there is a real need for taking affirmative action on the nomination today I do not know what it is. On yesterday I expressed my own wish to the Interstate and Foreign Commerce Committee that action be deferred until the Senate reconvenes next January,

which will be several months from now. I pointed out then, as I do now, that some 40 Senators are absent from the floor of the Senate. What position our absent colleagues would assume if they were here I do not know, but I think they are entitled to be present when an important executive nomination is under consideration.

Mr. President, I need not say to you, sir, that the Federal Power Commission is an important agency of the Government. It was organized as an independent commission in its present form by the act approved June 23, 1930, 19 years ago. The Commission has a membership of five. The Commission exercises its authority in part from the provisions contained in the Federal Power Act, the several flood-control acts, the Natural Gas Act, and from emergency authority. As we consider voting on the pending nomination, we ought to be aware of the duties to be carried out by the members of the Commission. I draw only a few sentences from the enabling legislation to the attention of the Senate.

Part I of the Federal Power Act represents the declared policy of Congress to provide for the development and improvement of navigation and the development, transmission, and utilization of power on streams subject to Federal jurisdiction, upon lands of the United States, and at Government dams, by private and public agencies acting under licenses issued by the Commission.

Part II of the Federal Power Act embodies a comprehensive scheme for the regulation of electric utilities engaged in interstate commerce.

Part III provides for the prescribing and enforcement of compliance with a uniform system of accounts by licensees and interstate electric utilities, reclassification of accounts, regulation of depreciation, and like accounting matters.

Under the Flood Control Acts of 1938 and subsequent years the Commission is authorized to investigate power potentialities in the flood-control projects to be constructed by the Department of the Army, and is charged with the responsibility of making recommendations to the Secretary of the Army with regard to the installation of penstocks or similar facilities adapted to possible future use in the development of hydroelectric power in any flood-control or navigation dam to be constructed by the Department of the Army.

The Natural Gas Act is intended to regulate those engaged in the transportation of natural gas in interstate commerce or the sale in interstate commerce of such gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other purpose.

Mr. President, I have been concerned by what this agency is directed to do in wartime. I find the following references to that subject:

During the continuance of any war in which the United States is engaged or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or shortage of electric energy or of facilities for the generation of electric energy, or other causes, either upon its own motion or upon



complaint, with or without notice, hearing or report, to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest.

The second reference to this subject of emergency in war is as follows:

During the continuance of any emergency requiring immediate action, persons not otherwise subject to the jurisdiction of the Commission may make temporary connections with public utilities or may construct temporary facilities for the interstate transmission of electric energy as may be necessary or appropriate to meet the emergency, without thereby becoming subject to the jurisdiction of the Commission. The section requires that such connections be discontinued and such construction removed or otherwise disposed of at the termination of the emergency, but permits permanent connections for emergency use only upon approval by the Commission. Many persons have requested and obtained appropriate assurances from the Commission that such temporary connections or construction would not subject them to jurisdiction of the Commission. The Commission also receives and grants requests for approval of permanent interconnections for emergency use under section 202 (d).

The Federal Power Act also provides that the United States may take over—

“May take over,” Mr. President—

and operate any licensed hydroelectric project upon a written order of the President stating that the safety of the United States demands it “for the purpose of manufacturing nitrates, explosives, or munitions of war, or for any other purpose involving the safety of the United States.”

Other Members of the Senate—perhaps every other Member of the Senate—may think that the nominee is eminently suited to the duties which have been delegated to the Federal Power Commission. My own best individual guess is that few Members have any real or substantial opinion on the question. Yet, all of us, Mr. President, recognize that the Federal Power Commission is a tremendously important agency both in peacetime and in wartime.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CAIN. I should very much appreciate the opportunity to finish my brief statement and then should the Senator have any questions I would be privileged to attempt to answer them.

The VICE PRESIDENT. The Senator from Washington declines to yield.

Mr. CAIN. Mr. President, the membership on the Federal Power Commission demands a high quality of judgment, objectivity, character, and intelligence. We shall be doing ourselves and the Nation a great disservice if we confirm anyone to the Federal Power Commission whom we have reason to believe is not well suited in every respect. Though we may take action today to confirm the nominee, most among us who are present will be acting on insufficient information and the many Senators who are absent will not be parties to that action. This situation does not excite me or fill me with indignation. It simply covers me with a deep feeling of sorrow. The most we can say when our action has been taken is that we do not fully appreciate or understand what we have done.

There is little I care to say about the nominee but what I shall say is important to me and it will determine my vote.

When the nomination of Mr. Wallgren to be the Chairman of the National Security Resources Board was before the Armed Services Committee I was among those who opposed the nomination, for justifiable reasons which are known to everyone. In my opening statement to that Committee I stated that I would have raised no question concerning his nomination for a post on scores of other bureaus, commissions, and agencies for which the President might have nominated him. Mr. President, I meant what I said at the time I said it. I had no personal quarrel with Mr. Wallgren then and I have none now. But after my first appearance before the Armed Services Committee Mr. Wallgren appeared as a witness in his own right. Those appearances gave me a clear right to change my mind concerning his suitability for other important Federal positions. During the course of the hearings referred to Mr. Wallgren did not tell the truth in answer to some reasonable and valid questions. He likewise had no reasonable concept of the role which he sought to play on the national stage. In the absence of hearings on his pending nomination I have no way of knowing whether he would tell the truth or understand the duties for which he is being considered. As an individual Senator I shall quite obviously refuse to vote in the dark for his confirmation.

Others among us, Mr. President, have shared, and probably continue to share, my views about the man in question. On page 6408 of the CONGRESSIONAL RECORD of May 18, I find these words which were uttered on this floor by a distinguished Senator from the other side of the aisle. This Senator said:

In all the time I have been in the Senate I have never seen such a poor witness, such an incompetent witness, and one who was in such complete ignorance of his duties in the position for which he was nominated, as was the gentleman in question. Other members of the committee who voted in favor of the distinguished former Governor of Washington have told me the same thing. The testimony lasted a week, and the subject was gone into fully.

Had hearings been conducted by the Interstate and Foreign Commerce Committee it might have happened that the nominee would have been a competent and able witness. No Member of the Senate will ever know what those hearings would have disclosed because in our anxiety to recess the committee thought it proper to bypass both questions and answers from which a sound verdict could have been reached.

Mr. President, I pondered deeply last night over the pending business. I knew it to be a fact that with help from just a few others I could probably make certain that the nomination would remain on the calendar until all Senators were present and voting several months from now. The effort to do this would have taken time. I have seen fit to decide against this possibility. It is sufficient to my own conscience to state my own views on the subject. If the Senate wishes to vote for

the nominee in the absence of almost half our Members and without committee hearings the Senate, so far as the junior Senator from Washington is concerned, must be responsible for what I consider to be its own negligence and its unwillingness to live up to the requirements of the Senate's responsibilities. It is not so much that Mr. Wallgren is a good choice or a bad choice but that the Senate has no present way of knowing whether he is good or bad. The only phrase by which we can characterize our intended action is “Mediocrity is our standard.”

In thinking about the pending nomination, which seemingly is destined to be approved by the Senate with the speed of light, I am thinking also about other things as we prepare to adjourn in the next few hours. I am thinking about this thing called security. I am thinking about the billions and billions of dollars which we have appropriated in its name during this session of the Congress. I am reminded that we have appropriated more than \$15,000,000,000 for the requirements of security, both at home and abroad, since the Armed Services Committee tabled a Presidential nomination for the chairmanship of the National Security Resources Board in March. I have a right to wonder when, if ever, the President of the United States is going to submit the name of an American qualified to direct the activities of that Board, which was created to keep this country out of war by so preparing America that we could win any war which may be thrust upon us in the future. On the basis of what I think some of us know this Nation could not fight its way out of a paper bag if war were to break out tomorrow. We have done much, Mr. President, to provide for an adequate military establishment, but wars are not won by soldiers, sailors, airmen, and marines unless they are backed up by a total industrial mobilization at home. In its present state the National Security Resources Board merely implies to the citizens of our Nation that we are getting ready to conquer any emergency. This is not the fact and will never be the fact until the NSRB benefits from a leadership which is conspicuously and completely lacking today. It is small wonder that I feel sick when the Senate is being asked to advance the cause of Government by crony when we have so many other and more imperative obligations to meet and conquer.

Mr. President, I wish but one last word on the pending business. I repeat what I stated before the Armed Services Committee on February 17:

Every State takes pride from those among its citizenry who have been appointed to executive positions by any President. The State of Washington, which I represent, is no different in this respect from any other State. Any qualified citizen of ours who is appointed by a President to a national public office provides the State of his origin with a sense of satisfaction and achievement.

My contention, Mr. President, is that the Senate of the United States should make certain that the nominee is qualified for an intended post on the Federal Power Commission. Any person who is unqualified reflects no credit on the

President, or the country, or the State of his origin. If the nominee is confirmed today there will be thousands throughout the land who will believe that the speed with which the appointment was confirmed was intended to avoid a thoughtful determination of the nominee's merits and capacity. The nominee himself is deserving of a decision which clarifies the prevailing uncertainty and doubt about his attainments.

Ordinary people throughout America are coming more and more to subscribe to an opinion expressed by one of our local Washington, D. C., newspapers in a recent editorial comment:

For his appointments, as time goes by, Mr. Truman may have to go outside the immediate circle of his own old pals—naming someone, say, who sat three rows away in the Senate.

Mr. President, it would best serve our Nation if no affirmative action were taken today on the confirmation of the nomination which is before us. On the assumption, however, that reasons known to others justify the Senate acting affirmatively now, I wish the nominee well and to hope that something good will come from action which I find it impossible either to support or understand.

**THE VICE PRESIDENT.** The question is, Will the Senate advise and consent to the nomination of Mon. C. Wallgren, to be a member of the Federal Power Commission?

Mr. DONNELL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McFARLAND. Mr. President, I agree with the junior Senator from Washington that the position of membership on the Federal Power Commission is a most important one. However, I find myself in disagreement with my good friend and colleague in regard to some of the other statements made with respect to the nomination now being discussed.

I was happy when the President of the United States submitted the name of Mon. C. Wallgren to the Senate. I was happy because I consider him a man of integrity. I consider him a man of ability. I consider him a man eminently qualified for this high position.

My opinion of the nominee is not based upon the record of the hearings held before a Senate committee but it is based upon my personal experience and service with the nominee, while he was a member of this body. It has been my experience to note that we can best judge the qualifications of a man by having the opportunity to observe him as he performs his duties. Mon. C. Wallgren has served in both the Senate and the House of Representatives; and, Mr. President, he served his country well in these halls. During that service, he helped write the legislation which created the Commission to which he has now been nominated. During that service he supported legislation which made possible many of the hydroelectric power projects now in operation throughout the United States. If this nomination is confirmed, Mr. Wallgren will be called upon to regulate these installations. My personal knowledge of the ability of the

nominee makes me confident that he will carry out his duties in a highly satisfactory manner.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. JOHNSON of Texas. Is not the Senator aware of the fact that a committee of the United States Senate held hearings on another nomination of Mr. Wallgren for approximately a week, this year, and that more than 240 printed pages of testimony were taken at that time?

Mr. McFARLAND. Yes, I am aware that one of the Senate committees did hold hearings upon a nomination of Mr. Wallgren. I am not basing my evaluation of the nominee upon those hearings; I did not read the record of them, for that nomination was not reported to the Senate.

But it is my opinion that experience gained from association here in the Senate of the United States is a more desirable source of information regarding the qualifications of a man than any hearings which may have been held.

It was my privilege to serve with Mon. C. Wallgren on some of the Senate committees. I know personally of his ability and of his honesty and of his integrity. I know he has a judicial temperament; this characteristic is one of many he possesses which make him qualified to serve on the Federal Power Commission. Mr. President, I shall be happy to vote for the confirmation of the nomination of Mon. C. Wallgren.

**THE VICE PRESIDENT.** The question is, Will the Senate advise and consent to this nomination?

Mr. MAGNUSON. Mr. President, I do not wish to detain the Senate for more than two or three minutes, nor do I wish to engage in any controversy or discussion regarding this nomination.

However, I think that in all justice, not only to the nominee, but to the great Senate Committee on Interstate and Foreign Commerce, the record should be clear. The record is clear insofar as we are concerned.

That committee has great familiarity with the powers and duties of the Federal Power Commission. The committee worked for many long weeks and months on the legislation creating that commission. The committee knows the importance of the Commission, and also knows what type of man will fit well in serving on the Commission, in carrying out the purposes of that act.

Most of the members of that committee, including myself, know the nominee; we know him well. As the distinguished Senator from Arizona has said, the best evidence to be considered in connection with advising and consenting to a Presidential nomination is evidence gained as a result of personal knowledge of the nominee himself, particularly from service with him in a great legislative body such as the Senate or House of Representatives of the United States.

Mr. President, the Federal Power Commission is an important agency to the people of Pacific Northwest. No man who has lived in the Pacific Northwest for over half a century, who has been actively engaged in the administration

of the laws of the State of Washington, who has actively represented the State of Washington in connection with matters concerning the power which develops the great Columbia Basin and the great Columbia River potential, and who has been representing that State for approximately 16 years in such capacities, can fail to be well qualified and familiar with the problems and duties and purposes of the Federal Power Commission.

Mr. President, I do not wish to engage in any personalities here. I suppose that my junior colleague [Mr. CAIN] and myself could keep the Senate here for many hours, discussing Washington State politics; but I am sure that would be of no interest to the other Members of the Senate, for their only interest in this matter is in an appointment to an important Commission which has been established to take care of the utility matters of the Nation, insofar as the Federal Government regulates them, and in deciding upon the question of confirming the nominee, a man who has had great experience in these matters.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram which has been received in connection with this nomination.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

OLYMPIA, WASH., October 18, 1949.  
Hon. EDWIN C. JOHNSON,

United States Senator from Colorado,  
Chairman, Interstate and Foreign  
Commerce Committee,

Senate Office Building:

Westerners join me in being pleased to urge favorable action on nomination of Mon. C. Wallgren as Federal Power Commissioner. The development of the public power program and the benefiting industries of this State in a measure reflect his energy and farsightedness during his terms as Congressman, Senator, and Governor of this State. His intimate knowledge of power potentialities and problems commend him as a national servant. The rapidly developing and important West requires that a man of his capabilities contribute to the national advancement through this important agency.

SMITH TROY,

Attorney General, State of Washington.

**THE VICE PRESIDENT.** The question is, Will the Senate advise and consent to the nomination of Mon. C. Wallgren, of Washington, to be a member of the Federal Power Commission?

On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk called the roll.

Mr. NEELY. The senior Senator from West Virginia [Mr. KILGORE] is absent on official business. If he were present he would vote "yea."

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. McCARRAN], the Senator from Arkansas [Mr. McLELLAN], the Senator from Virginia [Mr. ROBERTSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], and the Senator from Maryland



[Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent on official committee business.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from South Carolina [Mr. JOHNSTON] is paired on this vote with the Senator from New York [Mr. DULLES]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from New York would vote "nay."

The Senator from Rhode Island [Mr. GREEN] is paired on this vote with the Senator from Ohio [Mr. TAFT]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from Ohio would vote "nay."

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], the Senator from South Dakota [Mr. MUNDT], and the Senator from New Jersey [Mr. SMITH] are absent on official business with leave of the Senate.

The Senator from New Jersey [Mr. HENDRICKSON], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON], the Senator from Indiana [Mr. JENNER], and the Senator from Minnesota [Mr. THYE] are absent on official committee business.

The Senator from Ohio [Mr. TAFT] who is necessarily absent, is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from Ohio would vote "nay," and the Senator from Rhode Island would vote "yea."

The Senator from New York [Mr. DULLES] who is absent by leave of the Senate, is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from New York would vote "nay," and the Senator from South Carolina would vote "yea."

The Senator from Connecticut [Mr. BALDWIN] is detained on official business. The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The result was—yeas 47, nays 12, as follows:

## YEAS—47

Aiken	Holland	Malone
Anderson	Humphrey	Millikin
Brewster	Johnson, Colo.	Morse
Bridges	Johnson, Tex.	Myers
Capehart	Kerr	Neely
Chapman	Knowland	O'Connor
Connally	Langer	O'Mahoney
Downey	Leahy	Pepper
Dworshak	Lodge	Russell
Fulbright	Long	Saltonstall
George	Lucas	Smith, Maine
Graham	McCarthy	Thomas, Utah
Gurney	McFarland	Tobey
Hayden	McKellar	Watkins
Hill	McMahon	Young
Hoey	Magnuson	

## NAYS—12

Byrd	Eaton	Martin
Cain	Hickenlooper	Schoeppel
Cordon	Ives	Wherry
Donnell	Kem	Williams

## NOT VOTING—37

Baldwin	Hendrickson	Smith, N. J.
Bricker	Hunt	Sparkman
Butler	Jenner	Stennis
Chavez	Johnston, S. C.	Taft
Douglas	Kefauver	Taylor
Dulles	Kilgore	Thomas, Okla.
Eastland	McCarran	Thye
Ellender	McClellan	Tydings
Ferguson	Maybank	Vandenberg
Flanders	Mundt	Wiley
Frear	Murray	Withers
Gillette	Reed	
Green	Robertson	

So the nomination of Mon C. Wallgren to be a member of the Federal Power Commission was confirmed.

The VICE PRESIDENT. Without objection, the President will be immediately notified.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1578. An act to authorize the Secretary of the Army to proceed with construction at stations of the Alaska Communication System;

S. 2382. An act to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at a location to be selected by the Secretary of Defense; and

S. 2668. An act to amend the Independent Offices Appropriation Act for the fiscal year 1950.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes.

The message also announced that the House had agreed to the following concurrent resolutions of the House, in which it requested the concurrence of the Senate:

H. Con. Res. 146. Concurrent resolution authorizing the printing of additional copies of certain hearings held before the House Committee on Agriculture; and

H. Con. Res. 147. Concurrent resolution authorizing the Joint Committee on Atomic Energy to have printed 50,000 copies of Senate Report 1169.

## ESTABLISHMENT OF FOREIGN-TRADE ZONES—CONFERENCE REPORT

The Senate resumed the consideration of legislative business.

Mr. ANDERSON obtained the floor.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Louisiana?

Mr. ANDERSON. I yield.

Mr. LONG. Mr. President, there is on the desk a conference report on House bill 5332, to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones, heretofore submitted by the Senator from Georgia [Mr. GEORGE]. I ask unanimous consent for the present consideration of the conference report.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. LONG. Mr. President, I should like to explain that this is a bill which affects only a few ports, about five in number, in the United States, ports which have a foreign-trade zone. It would permit within those trade zones a limited amount of assembling and fabrication of items which are imported but not brought actually into the United States, in order that they may be transshipped elsewhere without paying the customs which would be required if they had been imported into this country.

This is a slight broadening of the authority for foreign-trade zones. When this bill came before the Senate an amendment relating to fur, offered by the Senator from Wisconsin, was adopted, but it was not agreed to by the conference; one of the principal reasons being that the amendment was opposed by the State Department, and its acceptance would in all probability have meant that the bill would be vetoed. In view of that fact, the conference reported the bill back without the fur amendment.

I personally would be in favor of the amendment, or of any legislation to prevent the importation of fur. I voted for such an amendment to the Reciprocal Trade Act. It might have been that the act would have been signed, if the amendment had been added to it. However, it is a virtual certainty that the pending bill would not be approved if the amendment were added.

At this late hour of the session, if the conference report is refused, it will not mean that the amendment will become law, but merely that the amendment will die with the entire bill, in conference, because the House and Senate will probably adjourn today. Therefore, in the effort to have some legislation passed on the subject of the foreign-trade zones, even though I would be in favor of the principle of the fur amendment, standing on its own bottom, I should like to see the conference report agreed to. It would have the effect of at least dropping the fur amendment, so the rest of the bill might be passed.

Mr. McCARTHY. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

Mr. McCARTHY. Do I correctly understand that the conferees received word from the White House to the effect that the President would veto the bill unless the amendment to protect the fur farmers were rejected?

Mr. LONG. I have not received any direct word from the White House, although I have received information indirectly, which I consider to be somewhat authoritative, that the White House would not look favorably upon the amendment. I am quite aware, as I know the Senator from Wisconsin is aware, that the State Department is opposed to the amendment on the ground that it would be a precedent for many other enactments of the same nature.

Mr. McCARTHY. Do I correctly understand that the State Department informed the conferees that they would do everything in their power to get the President to veto this bill unless the amendment should be rejected?

Mr. LONG. That is my impression.

Mr. McCARTHY. The conferees were subjected to unlimited lobbying on the part of Mr. Brown and other gentlemen from the State Department during all the time the conferees were working on the bill.

Mr. LONG. I know nothing about that, although I am informed reliably that the State Department is very much opposed to the amendment. Of course, at this late stage it would be impossible, if the Senate does not agree to the conference report, to pass this legislation either with or without the amendment, because it would be too late for the conferees to act again at this session.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARTHY. If the report in question is sent back to the conferees and the Senate conferees are instructed to insist upon the Senate amendments, am I correct in saying that even though Congress should adjourn tonight or tomorrow the bill would not automatically die, but could be called up again in January, when Congress returns?

The VICE PRESIDENT. The Chair would observe that if the report were recommitment, or if no conference report had been made, if Congress adjourned it would hold over until the next session of Congress. Legislation does not auto-

matically die with the adjournment of a session; it dies with the adjournment of a Congress.

Mr. McCARTHY. If the Senate rejects the conference report and sends it back to conference with instructions to insist on the Senate amendments, would it be held over to the second session of the Eighty-first Congress?

The VICE PRESIDENT. The legislation would remain in status quo until the next session of the Congress.

Mr. McCARTHY. Mr. President, is a motion in order that the conference report be rejected and that the Senate conferees be instructed to insist on the Senate amendments?

The VICE PRESIDENT. The Chair supposes the Senator means to inquire whether a motion to recommit the conference report to the conferees would be in order.

Mr. McCARTHY. That is correct—with instructions.

The VICE PRESIDENT. A vote on the conference report itself would take priority over a motion to recommit. If the conference report should be rejected, it would be in order to move that it be recommitment.

Mr. McCARTHY. The pending question, then, is a vote upon the acceptance or rejection of the report?

The VICE PRESIDENT. That is correct.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I yield to my illustrious colleague from Nebraska.

Mr. WHERRY. If the conference report is rejected, is it the intention of the junior Senator from Wisconsin to move that the conference report be sent back for further conference with instructions from the Senate?

Mr. McCARTHY. That is the intention of the Senator from Wisconsin.

Mr. IVES. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. IVES. The Senator from New York would like to ask the Senator from Wisconsin if his only objection to the conference report is the fact that this particular section has been deleted? Outside of that, is the Senator satisfied with the report?

Mr. McCARTHY. Outside of that, the Senator from Wisconsin is satisfied with the report.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. DONNELL. The Senator stated it would be his intention if the conference report is rejected, to move that the bill be sent back to the conferees with instructions. May I ask the Senator whether those instructions would be to the effect that the conferees should insist upon the retention of this amendment?

The President shall establish such regulations of the importation of furs and fur articles as are determined necessary by the Tariff Commission to prevent serious injury to the domestic fur-producing industry.

Mr. McCARTHY. That is correct.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. MILLIKIN. Mr. President, I simply wish the RECORD to show that the junior Senator from Colorado, the senior Senator from Delaware [Mr. WILLIAMS], Representative WOODRUFF, and Representative BYRNES were the Republican conferees who refused to sign the report because the amendment referred to by the distinguished Senator from Wisconsin was excluded from the bill.

Mr. McCARTHY. Mr. President, I sincerely hope the Senate will reject this report, for two reasons. I believe it is time for the Senate—

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCARTHY. For a question, certainly.

Mr. LUCAS. Mr. President, will the Senator yield in order that I may ask unanimous consent that the conference report be withdrawn, and that the Senate proceed to consider the conference report on the farm bill? I do not know how long it will take.

Mr. McCARTHY. Mr. President, I promised the Senator from Louisiana [Mr. LONG] that I would cooperate with him to have this conference report brought to the floor. I know he is sincerely interested in this particular bill. He is sponsoring it.

Mr. IVES. Mr. President, will the Senator yield?

Mr. McCARTHY. The Senator from Illinois asked if I would yield for the purpose of making a unanimous-consent request. I may say that if the Senator from Louisiana has no objection to that procedure, I have none.

Mr. LONG. Mr. President, I shall not object, in view of the importance of the farm bill, which is certainly more important than is this particular piece of legislation.

The VICE PRESIDENT. Without objection, the motion of the Senator from Louisiana is withdrawn.

#### STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES—CONFERENCE REPORT

Mr. ANDERSON. Mr. President, on behalf of the Senator from Oklahoma [Mr. THOMAS], I submit a conference report on House bill 5345, to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read.

(For conference report, see pp. 15055-15060 of today's House proceedings.)

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. WILLIAMS. Mr. President, would the Senator from New Mexico tell us what action was taken with reference to the amendment offered by the Senator from Washington [Mr. MAGNUSON]?

Mr. ANDERSON. It was eliminated from the bill. I recognized that there was support for it in both Houses, but in



view of the effect it would have on reciprocal trade agreements, the conferees on both sides agreed that the amendment should be dropped from the bill.

Mr. DONNELL. Mr. President, I regret that owing to the conversation I was having with another Senator I did not hear what the Senator from New Mexico said was done.

Mr. ANDERSON. The question was whether the Magnuson amendment was still in the bill, and I explained that because of the effect on reciprocal trade agreements it was thought wise to eliminate it from the bill.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LUCAS. It was also eliminated in order to obtain a farm bill. It was recognized by both sides of the conference that it was an amendment which it would be unwise to leave in the bill because of a threatened veto. In order to get a farm bill, Members on both sides were willing to eliminate the amendment.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. I should appreciate it very much if the Senator would give a description of the results of the conference.

Mr. ANDERSON. If the Senator desires, I shall be happy to do so.

The first point of difference is in the portion of the Senate bill which retained 90 percent supports for 1 year. The conferees on the part of the House desired 90 percent supports for a period of at least 5 years. The matter was not one that was easy to resolve, and the final decision was that 90 percent supports should be retained on all basics for 1 year. A minimum of 80 percent would be permissible the second year, and the range would be between 80 and 90 percent. Therefore the table carried in the Senate bill ranging from 75 to 90 percent would be fully effective.

There was one additional change, which relates to the parity base. The Senate bill had used a modernized parity formula, including hired-help wages, and giving effect to wartime subsidies. The House bill had retained the old parity formula. That parity formula was, should I say, more favorable to certain grains and not so favorable to livestock farming.

The Senate conferees strongly believed that a formula favorable to the livestock farming should be the one that remained in the bill, but at the strong insistence of the House conferees that agricultural income was dropping too rapidly because of the acreage limitations coming into effect in 1950, it was voted that for a period of 4 years the Secretary of Agriculture should calculate, for basics only, the two parity bases, both the old and the new formulas, and should apply the one most favorable to the producer.

It must be said that there is a fairly substantial difference in the first year. Economists testifying before the Senate

Committee on Agriculture and Forestry a year ago said that the two formulas would gradually merge and come together, and that it might take 4 or 5 years to accomplish the desired result. This means that within a reasonable time the two may come together. The Senate committee still adheres to the modernized formula carried in the Agricultural Act of 1948, plus hired labor, plus the effect of the subsidies. But there was that concession made to the House conferees with reference to the use of whichever base was desirable.

Mr. WILLIAMS and Mr. WHERRY addressed the Chair.

The VICE PRESIDENT. Does the Senator from New Mexico yield, and if so, to whom?

Mr. WHERRY. May I interrupt on the point the Senator has been discussing?

Mr. ANDERSON. I yield to the Senator from Nebraska, then I shall yield to the Senator from Delaware.

Mr. WHERRY. The Senator says the Secretary can figure on the basic crops, the old formula—

Mr. ANDERSON. He shall calculate them both and use the one most advantageous to the producer.

Mr. WHERRY. The old one, of course, is the one that has been in operation, taking as the base—

Mr. ANDERSON. 1909 to 1914.

Mr. WHERRY. Is that the parity formula which has been suggested by the distinguished Senator from New Mexico?

Mr. ANDERSON. No; it is the formula which was carried first in the Agricultural Act of 1948, but it provides for the same base period, and then permits a modification of it, depending on the relationship of the crops in the past 10 years.

Speaking now from memory, and I hope I speak correctly, as to wheat, using that formula the figure would be \$1.94. Using the new formula, it would be \$1.84.

Mr. WHERRY. On the present parity basis?

Mr. ANDERSON. Yes.

Mr. WHERRY. How would the same parity formula, if it is adopted for the basic crops, affect livestock?

Mr. ANDERSON. The new formula is much more advantageous to all other crops than the basic crops, with the exception, I believe, of perhaps potatoes. It is much more favorable to livestock than the old formula. Of course, the reason for using the new formula was a desire to encourage a relatively favorable ratio for livestock, thereby resulting in the consumption of more grain.

Mr. WHERRY. So in order to effect this compromise, it was determined by the conferees that either formula should be used in either case, whichever was desired to be applied. Is that correct?

Mr. ANDERSON. That is correct.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Delaware.

Mr. WILLIAMS. Do I understand correctly that in effect the report continues a portion of the Aiken bill and a portion of the Anderson bill, and there

is a choice offered to the farmers to select whatever is the most advantageous?

Mr. ANDERSON. No, I do not think that would be a fair statement. As to the parity formula, it is not a question of the farmer deciding which is more advantageous to him. The Department of Agriculture must assume the responsibility. It will calculate the two parity formulas, and decide which parity formula is more beneficial to the producer, and use that one.

There are a great many sections of the Aiken bill retained in the conference report bill, I am happy to say, if that is the import of the Senator's question. It does retain that portion of the modernized parity formula which was carried in the so-called Aiken portion of the Agricultural Act of 1948. It has attempted to amend the law by the inclusion of the hired labor and by the inclusion of wartime subsidies, paid during the period of the war.

Mr. WILLIAMS. The first year, automatically, there would be 90 percent parity, but the second year it would be 80 percent only if the Secretary so decided, would it not? He could project the 90 percent another 2 years if he so desired.

Mr. ANDERSON. Yes. It was the opinion of the conferees on the part of the Senate that that theory involved one crop only, namely cotton. It is entirely possible that the position of cotton may be in the neighborhood of 135 percent in 1950, 136 or 137 percent in 1951. But it is purely a guess, because we cannot tell what the weather is going to be. It might require that the level of cotton might be dropped as low as 75 percent in 1951. The acreage of cotton is about twenty-six million, five or six or seven hundred thousand acres this year. The acreage of cotton will be reduced by virtue of the cotton-limitation bill to 21,000,000 acres, almost surely, in 1950. That means that there will be a reduction in cotton acreage of from five and a half to five and three-quarters million acres, a total bale reduction in the whole crop of about 4,000,000 bales. At \$125 a bale, that means \$500,000,000, at least, taken from the cotton farmers.

The committee felt it could afford to cushion the shock further by estimating 80 percent of parity in 1951 instead of 75 percent, which makes a difference of about \$7.50 a bale, and cuts the 4,000,000 bales which might go into the hands of the Commodity Credit Corporation.

Mr. SALTONSTALL. Mr. President—

Mr. ANDERSON. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I desire the floor in my own right.

Mr. ANDERSON. If there are additional questions, I shall try to answer them if I can. Then I shall be happy to yield the floor.

Mr. LUCAS. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Illinois.

Mr. LUCAS. With respect to the last question the Senator from Delaware pro-

pounded, with regard to the second year, the minimum is 80 percent, and the maximum is 90 percent, as I understand, and the figure would be between 80 and 90 in the second year.

Mr. ANDERSON. Yes. For example, in the case of wheat, it is entirely possible that the range would be between 83 percent and 90 percent. When we come to project what is going to happen in 1951, I dislike having my words written down as to what the range will be, because I cannot tell what the weather will be in either 1950 or 1951. But to the best of our knowledge, taking average yields, the yield of wheat, taking into consideration the present situation as to wheat, the present plantings of fall crops of winter wheat this year and the projected plantings of spring wheat next year, all those things being taken into consideration, we ought to have a minimum of 83 percent in 1950. We are saying the figure shall be 90 in 1950. The best estimates we can make indicate that wheat in 1951 would have a range of probably 84 to 90 percent. But we are saying it shall not drop below 80 percent. There could be a complete curtailment of ECA shipments, which would place the wheat supply in a bad situation. I do not believe that is going to happen, but I do say that the guaranty of 80 percent for the second year is not so necessary to protect the wheat, corn, rice, tobacco, and peanut situation as it is to protect the cotton situation.

It should be borne in mind, if the Senator will indulge me, that the cotton acreage will again be further reduced in 1950, in all probability, down to about 17,830,000 acres. The formula in the cotton-limitation bill would permit that, and if cotton acreage is dropped from 26,500,000 acres this year down to 21,000,000 in 1951, that is a very substantial reduction in a crop which in many cases is the sole source of cash income to many farmers.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. ANDERSON. Yes. I am anxious to yield to other Senators who have indicated that they wish me to yield to them, but I yield first to the Senator from Illinois.

Mr. LUCAS. I think we should further discuss briefly the first section of the bill dealing with tables 1 and 2. In other words, as I recall, the House conferees at one time made a motion to strike out those tables, which would give the Secretary of Agriculture the sole discretionary power to say whether or not the figure should be 75 percent as a minimum or 90 percent as a maximum. In other words, the Secretary could do as he pleased. The Senate conferees voted to defeat that motion, and defeated it, which left the tables in the bill. While it is the opinion of the Senator from Illinois and other Senators that the Secretary of Agriculture could fix the figure anywhere from 75 percent to 90 percent upon the basic crops after the second year, and from 80 percent to 90 percent during the second year; on the other hand the situation would have to be an extraordinary one when he did not

follow the tables. So the tables are in the bill as a guide. I think I am correct in that statement. I hope the Senator from New Mexico agrees with that statement.

Mr. ANDERSON. I agree that the tables are in the bill, with clear language which provides that the support shall be not more than 90 percent nor less than the table figure. I think the table affords a very definite protection to the farmer, because as he improves his supply position, as he moves away from 130 percent, as he has in cotton, to a supply position where he may have 125 percent, he immediately begins to get support underneath the floor of the product, and it encourages him to put his own house in order.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I wanted to ask the Senator from New Mexico another question. On page 9 of the report, in section 416, I read this statement:

Any such commodities which are not disposed of pursuant to the foregoing sentence may be made available by the Secretary and the Commodity Credit Corporation at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, as follows in the order of priority set forth: First, to school-lunch programs; and to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States.

It seems to me that this provision is much broader than it was as it was passed by the Senate.

Mr. ANDERSON. No.

Mr. WILLIAMS. And I wondered what the Senator from New Mexico would have to say about it.

Mr. ANDERSON. No; I think it is even more restricted than the language passed by the Senate. May I explain it in this way: The Senate amendment presented by the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Oklahoma [Mr. THOMAS], provided for the allotment of these goods which were in danger of deterioration, to needy Indians, to public welfare organizations, and to CARE, naming a single relief organization.

Now in an attempt to overcome what we regarded to be the most serious objection to naming only a single relief organization, when there are in existence many relief organizations, we decided that the whole matter should not be put on a complete equality; that the Secretary first of all must make the food available to the school-lunch program and to Federal agencies for the relief of Indians, and publicly supported charitable institutions. If he has additional material left when he finishes with those governmental and public organizations, then, and only then, can he reach further and try to take care of—as the Representative from Wisconsin, Mr. MURRAY, said—welfare homes, or, rather, orphanages, and foster homes in various areas. But

he must take care of first the school-lunch program and its needs, and he can only give food that is in danger of deterioration. Then he must take care of the public-welfare institutions where there are needy persons. But I think when he gets through with that list he will have very little left to distribute to any other group.

Mr. WILLIAMS. But assuming he did have some commodities left, the power would be in the hands of the Secretary of Agriculture to determine the eligibility of any private welfare organization, and his decision would be final. Is not that correct?

Mr. ANDERSON. That is correct, with the exception that there is a Government list which has been prepared. I might say that some years ago the Department of Agriculture had funds sent to it from good-hearted Americans who wished to have charitable contributions made to people in other countries. A special commission was established which passed upon what agencies should be eligible, and the moneys were turned over to those agencies. I imagine the Secretary of Agriculture would be guided by the same sort of semiofficial findings in case he wanted to establish some such list as that.

Mr. WILLIAMS. I recognize that there is the possibility that he would be guided by our intentions but nevertheless there is nothing in the bill which provides that he must be guided by them, and he can recognize any private welfare organization anywhere in the United States provided he chooses so to do and make contributions to that organization of any amount of commodities he wishes.

Mr. ANDERSON. That is correct, except that the conference report is more restricted than the amendment adopted by the Senate in that he must take care of these other applications first. I fully agree with the distinguished Senator from Delaware that this is a bad way to dispose of them. Other members of the conference will recognize that I even resisted this provision, and felt it should not be in the bill, but I still believe it is better than the provision that was in the amendment agreed to by the Senate.

Mr. WILLIAMS. The Senator from New Mexico will agree with me, will he not, that perhaps with the projection of this 90-percent support into the future we might have enough surplus to go around for everybody.

Mr. ANDERSON. I hope we will not have enough to go around.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. TOBEY. I wish to ask a very brief question. In the final draft of the bill as made by the conference, referring to support prices, are broilers to be construed as chickens?

Mr. ANDERSON. The amendment offered by the Senator from Delaware was in the bill as it went to conference. The House conferees objected to it and decided to reject it, and the Senate conferees agreed. I will say that if the time ever comes when the Senator from Delaware needs a friend to plead his cause



with the Secretary of Agriculture, I shall be glad to plead with the Secretary for him that the intent of the Senate was that broilers should be considered as chickens.

Mr. TOBEY. And does the Senator think that flexibility would apply to give him the results he wants?

Mr. ANDERSON. I am not certain that it would.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I think the Senator from New Mexico, the former Secretary of Agriculture, will bear me out in this statement that during the period in which he was in office he never received an application from my office nor from the poultry growers in our area for support of broilers. The present Secretary of Agriculture, Mr. Brannan, will also support me in that same statement. I was not asking for a support price on broilers at the time I offered my amendment. I have discussed with the Senator from New Mexico, both on and off the floor, the fact that I do not think it is practical to support any type of meat, including pork, beef, and poultry. But I included broilers because, as broiler growers we resented the fact that the Secretary of Agriculture did not include broilers for reasons which I felt were purely because I have criticized the administration and the Department of Agriculture at different times. The Secretary of Agriculture some time ago issued a regulation in which he defined a broiler as not being a chicken. He failed to state, however, just what kind of an animal a broiler represents. Apparently, Mr. Brannan has never been near a poultry farm. A broiler is hatched from an egg. The father is a rooster and the mother is a hen. If a broiler is not a chicken I do not know what it is. It was purely for the purpose of clearing up the definition that I asked for the amendment. I think that further emphasizes the fact that the Secretary of Agriculture does not care to cooperate with us on the Delmarva Peninsula. However, so long as I am in the Senate I shall continue to insist that the Department of Agriculture treat our farmers on a basis of equality with the farmers elsewhere.

Mr. ANDERSON. Mr. President, I want to substantiate what the Senator from Delaware says respecting the support-price question. I explain to him only that we thought it was an amendment that could be eliminated, but we tried to retain it.

Mr. WILLIAMS. It never should have been necessary to put it in the bill, as it is absurd to define a broiler as other than a chicken.

Mr. ANDERSON. I agree.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. GURNEY. I remember, and I believe the Senator from New Mexico does, that on the farm—I know it was true in South Dakota—sometimes the old hen raised ducks.

Mr. ANDERSON. It is possible; and she proved to be a very good mother.

Mr. GURNEY. The serious question which I wished to ask was this: During

the past few days I have received a good many communications to the effect that to the folks at home there seems to be some inconsistency in the fact that egg prices are not going to be supported on a mandatory basis under the terms of the conference report, inasmuch as the feed for the chickens is going to be kept at high levels. I have hurried through this report. I have had an opportunity to see it only in the past few minutes. I do not find anything on the egg question. Could the Senator from New Mexico state some reason for handling the egg situation as it has been handled in the new farm bill?

Mr. ANDERSON. As I tried to explain when the bill was under consideration in the Senate, the term "basic commodities" is probably a very bad one. "Controllable commodities" is probably the better expression, although it still does not completely define what is intended.

The difficulty with the egg program is that it is extremely hard to control. One of the reasons why the program is not included in the bill is that the Committee on Agriculture and Forestry received complaints from many persons interested in the egg business that the purchase of all eggs at a fixed price was hurting the program of grading eggs, which had been so well established by the Department of Agriculture, and up until recent years so well followed by the farmers. We felt that it would be better for the Department to work out its own separate program, not on a mandatory basis, but perhaps by giving certain supports to graded eggs, and other supports to eggs which were not so good.

Mr. GURNEY. Is it particularly and specifically ordered in the bill that the Secretary shall do that for eggs?

Mr. ANDERSON. No; it is not. However, it is permissive, and there is a provision which requires the Secretary, so far as feasible, to inaugurate programs of that character.

Mr. GURNEY. But there is nothing stating the intent of Congress to make such provision for graded eggs.

Mr. ANDERSON. No.

Mr. GURNEY. The reason our people are so much interested in the egg program is that they hear stories of 80-cent eggs in Washington and New York, while they are 30 cents in the western grain country. No one so far has been able to explain to them why there should be that large difference. As the Senator from New Mexico knows, a great part of our farm income in my area is from eggs.

Mr. ANDERSON. The Senator from South Dakota will recall that the difference which he mentions can sometimes be explained by reason of the fact that pullet eggs are being offered under this same support program; stained eggs are being offered; and all sorts of eggs are being offered which will not command a quality price, whereas when the housewife pays 80 cents a dozen in Washington she is paying for quality eggs, and larger eggs.

Mr. GURNEY. There is some merit in what the Senator says, but that is not the full explanation.

Mr. ANDERSON. I agree with the Senator.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. JOHNSON of Texas. I invite the attention of the Senator to subsection 201 (a) on page 3 of the report. It reads as follows:

(a) The price of wool (including mohair) shall be supported through loans, purchases, or other operations at such level, not in excess of 90 percent nor less than 60 percent of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately 360,000,000 pounds of shorn wool.

I should like to ask the Senator from New Mexico if it is his impression that since the annual production of wool is now substantially lower than the 360,000,000 pounds referred to, the Secretary of Agriculture, in order to encourage production to reach that amount, would support wool at 90 percent of parity until the annual production of wool reaches that point.

Mr. ANDERSON. I should say that it is extremely likely and probable that the price of wool will be supported at 90 percent. That is my impression but it may not be the impression of the Secretary of Agriculture. I think he would find it necessary to support the price at 90 percent of parity in order to increase production from 260,000,000 pounds to 360,000,000 pounds.

Mr. JOHNSON of Texas. Would that include mohair?

Mr. ANDERSON. Yes.

Mr. JOHNSON of Texas. He would not be likely to discourage increased production by reducing the amount of the support?

Mr. ANDERSON. I do not think so.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SCHOEPPPEL. I invite the attention of the Senator to page 7 of the report, section 408 (f), which reads as follows:

(f) Section 328 of such act, as so amended (relating to corn acreage allotments), is amended by striking out "reserve supply level" and inserting in lieu thereof "normal supply."

This subsection relates to the corn-acreage allotments. Can the Senator enlighten me as to what difference that is going to make with relation to the original bill which the Senate passed?

Mr. ANDERSON. I will say to the Senator from Kansas that that is language inserted by the staff in view of action taken by the committee, and was not language which we had before us at the time we were considering the conference report. If the Senator will give me a moment, I shall try to answer the question.

I think the answer is that this language was submitted by the Department of Agriculture, and was included in the original bill. It does not represent any change in conference. The purpose is to have a figure which it is believed will represent a more proper reflection of total supply. I am willing to say to the Senator that that would not be a very satisfactory explanation to me. I am not very clear on it. It is not language with which I was familiar.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I think that, taking the corn amendments in the bill all together, we find that the result is to permit a total supply of roughly 4,200,000,000 bushels before quotas are called for, as compared with, roughly, 3,980,000,000 under title II of the 1948 act, and several hundred million bushels less than that under the old law. The purpose is to permit a much larger total supply of corn before quotas are called for. As to this particular provision, I do not know exactly what it means. We are given to understand that, taken all together, the corn amendments call for a total supply of more than 4,000,000,000 bushels of corn before the farmers are asked to vote on quotas.

Mr. SCHOEPPPEL. I was wondering if it was not designed to eliminate the acreage-reduction factor.

Mr. ANDERSON. It is part of the language which was submitted by the Department, designed to change the very narrow limit under which it would have to operate in 1950, in the matter of corn quotas. I subscribe to what the able Senator from Vermont has said. The language, as we got it, was designed to shift the figure above 4,000,000,000 bushels, whereas previously the supply which might have required corn quotas was just under 4,000,000,000 bushels. We are very close to that figure. Since we have never had corn quotas, and probably never will, we thought it undesirable to leave the level at which corn quotas could have been proclaimed below 4,000,000,000 bushels. I am not able to relate each particular part of the language to every other part, but the amendments submitted by the Department of Agriculture and incorporated in the bill, taken as a whole, do change the definition. There is another provision which changes the figure from 7 to 10 percent on certain items.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. Let me make a slight correction. The amendments originally submitted by the Department would have left the figure of total supply, before calling for quotas, at 3,920,000,000. The committee itself changed the figure to 4,100,000,000, or approximately that. If there had been no change in the law, it would have been inevitable that the Secretary would have to call for a vote on corn quotas for 1950.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MAGNUSON. I regret the action of the conference in eliminating the amendment sponsored by myself, but I also appreciate the situation under which the conferees were working. I should like to ask the Senator from New Mexico a question.

I still strongly believe that so long as we have section 22 in the Agricultural Act we ought to protect it. If we do not intend to protect it, we ought to repeal it. I know that it could be protected by administrative action.

In view of the fact that attention was focused upon section 22, which was designed, as I believe, to protect agricultural production when it is under price support and control, and in view of the fact that section 22 remains the law of the land, I am wondering if the Senator from New Mexico agrees with me that, despite the fact that we did not make it mandatory in the bill, the State Department should have some notice of the intent of Congress in making future agreements. Should not the State Department have some notice that section 22 does exist and is the law of the land, and should be adhered to in making future agreements?

Mr. ANDERSON. Yes; I would agree with the Senator from Washington. I say to him that language very similar that contained in his amendment was carried in both the House version and the Senate version of the bill. So I would say that would be notice to the State Department that it might be possible to incorporate similar language in a separate bill at a later date, and therefore I am sure the State Department would be most anxious to make this a point of consideration.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MILLIKIN. I wonder whether the distinguished Senator is aware of the fact that more than 80 percent of the concessions operating against this country, recently made at the Annecy conference, were with respect to agricultural products.

Mr. ANDERSON. I am not aware of that, because for the last few weeks I have been so busy receiving telegrams and sending telegrams dealing with the Farm Act, that I have gotten behind in other matters. When I get through with this measure, I shall catch up on the matters occurring elsewhere in the world.

Mr. MILLIKIN. The Senator need not worry about that; he will be hearing about it.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. Was any change made in the amendment relating to rice production?

Mr. ANDERSON. Yes, there was; it was one submitted by the distinguished Senator from Louisiana [Mr. ELLENDER], which he assured us had been cleared with all concerned, and therefore was in proper shape.

Mr. FULBRIGHT. I mean was the provision substantially the same?

Mr. ANDERSON. Yes; substantially the same.

Mr. FULBRIGHT. How about cottonseed?

Mr. ANDERSON. Cottonseed is not included in this bill. It was the belief of the conferees that the Department is now doing about all that can be expected in reference to cottonseed, and is doing it on a basis that it hopes it will be able to continue; it is doing it on the basis of storage in warehouses where the farmer can store his cottonseed individually, or else he can join a cooperative and in that way can have access to a

warehouse where the cottonseed may be stored. I think it is much better for the Department to proceed in that way, rather than to try to peg the price of cottonseed by mandatory price support, inasmuch as in many respects it is in direct competition with soybeans, soybean oil, and other oils.

Mr. FULBRIGHT. It is included in the miscellaneous section is it?

Mr. ANDERSON. Yes.

Mr. FULBRIGHT. Are soybeans likewise in that section?

Mr. ANDERSON. Yes; and they are receiving protection at the present time.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LUCAS. With respect to the inquiry propounded by the Senator from Kansas, in respect to striking out "the reserve supply level," and inserting in lieu thereof "the normal supply," I am advised by a member of the staff that that simply conforms to the 1948 act, and there is doubt whether it will in any way affect either acreage allotments or quotas. I was interested in knowing whether it would. I am not too certain about it, but I do not believe it will; at least, I hope not.

Mr. President, I should like to call the attention of the Senator to section 201, paragraph (c), which reads as follows:

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of milk and butterfat.

I wish to know whether the Senator will agree with me that it was not the intention of the conferees, under this language, in any way to guarantee loans to processors of milk and butterfat, rather than to producers of milk and butterfat themselves. In other words, I am thinking about ice-cream mix, as an example.

Mr. ANDERSON. I would say there is no question as to ice-cream mix. The distinguished Representative from Wisconsin, Mr. MURRAY, presented very appealingly the desire to have the words "and the products of such commodities" inserted in the first few lines of subsection (c).

As the Senator from Illinois will recall, the Senator from New Mexico resisted that as strenuously as he could, because of the possibility of questions arising about these products. But I believe it was the clear intent of the Congress, by means of the conferees, to make sure that cheese and products of that nature, which perhaps had not received proper attention from the Department of Agriculture, should be supported; and therefore I would say that butter, cheese, evaporated milk, and dried skim-milk powders would be supported, but certainly not ice cream or ice-cream mix.

Mr. LUCAS. Or any other byproduct which comes from butter or butterfat, and so forth. I think it is important to clear up that point, because, as the Senator knows, there are many byproducts



of those two; and it will be an impossible administrative difficulty for the Department if we do not have explicit language set forth either in the bill or in the debate. It is an important point.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I wish to say that I think it is the position of the conferees that the commodities and the products the Senator from New Mexico has named should be supported.

I also think a strict, technical interpretation of this language would require milk shakes and oyster stews to be supported also; but of course there is no danger that that will be done, because I think all Senators know that recently the prices of milk shakes and oyster stews have been so far above parity that the law would not apply to them, anyway. It was not the intent of the committee that we should get down to any minor commodities processed from milk or cream.

Mr. ANDERSON. The Senator is completely correct. We were trying to make sure that cheese, dried skim-milk powder, butter, and items of that type should receive protection.

Mr. KEM. Mr. President, will the Senator yield?

Mr. ANDERSON. I am glad to yield to the distinguished Senator from Missouri.

Mr. KEM. I should like to ask the distinguished Senator from New Mexico if both the Senate and the House versions of the bill contain language similar to the Magnuson amendment which was adopted by the Senate.

Mr. ANDERSON. Yes; and I have previously stated that to the Senator from Washington.

There was in the House version of the bill a provision which was not identical with the Magnuson amendment, but probably had a different meaning from the meaning of the Magnuson amendment. There was also in the Senate version of the bill, of course, as the distinguished Senator knows, language which was a revised version of the original Magnuson amendment.

Mr. KEM. But both of them legislated in the same field; did they not?

Mr. ANDERSON. They did.

Mr. KEM. I should like to ask the Senator from New Mexico if under those circumstances he feels it was within the proper province of the conferees to eliminate the subject matter entirely from the conference report.

Mr. ANDERSON. I may say to the Senator from Missouri that I was persuaded that if that language remained in the bill, the bill would not be signed. A great many Senators, on both sides of the aisle, had worked hard to draw up a bill which would be enacted into law; but the particular language we are now discussing seemed so contrary to the language of the law respecting reciprocal trade agreements that I was persuaded that if that language was included in the bill, the bill would not be enacted into law, because it would not be signed.

When the situation was explained to the conferees, both the conferees on the

part of the House and those on the part of the Senate felt that was a matter which might be dealt with in separate legislation, and that we should proceed with this bill, but should not invite the possibility of causing trouble by that amendment.

Mr. KEM. I thank the Senator from New Mexico, but I am afraid I failed to make myself clear.

Mr. ANDERSON. I think I understand exactly what the Senator has in mind.

Mr. KEM. The question I am posing to the Senator is whether it was the duty and responsibility of the conferees to reconcile the language used by the two Houses of Congress, rather than to eliminate the subject matter entirely from the bill.

Mr. ANDERSON. I think when we start to reconcile the language used by the two Houses we get into a field that is somewhat complex in itself. I say to the Senator from Missouri that I believe we might have reconciled by means of acceptance of either the House language or the Senate language. But when we try to write into the bill something that is in between the two, I think that is in a field that is very difficult of treatment.

Mr. KEM. I recognize fully the difficulties confronted by the conferees, not only in that respect but in many other respects, as presented by the bill. But I question whether it is the proper function of the conferees to eliminate the language entirely from the bill, rather than to accept either the House version or the Senate version or a combination or reconciliation of the two.

Mr. ANDERSON. I will say that the conferees felt it was within their rights to eliminate it, in view of the uncertainty which existed about it and their own conception of what it was.

Mr. KEM. Is that a consideration which should properly have moved the conferees in their consideration of that particular matter? Is it within their function to fail entirely to legislate in the matter, under those circumstances?

Mr. ANDERSON. I think it is not, if the identical provision is carried in both bills. We came to that very question, and we retained a provision that was identical in both bills.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LUCAS. I always dislike to disagree with my friend from New Mexico, because he is so well informed upon these matters, but I cannot agree with him that we were legislating in the same field. I think we were in two entirely different fields, and that is especially so if we read the amendment that came from the House, which is as follows:

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

That is the law at the present time. They merely repeated here the law as passed heretofore.

Mr. ANDERSON. Yes.

Mr. LUCAS. We did something entirely different, in the Magnuson amendment. We said:

No international agreement hereafter shall be entered into by the United States, or renewed, extended or allowed to extend beyond its permissible termination date in contravention of this section.

Meaning the particular section in question. In other words, the two are entirely different. The question was not even raised. In other words, as the Senator will recall, the House conferees in the beginning said, "No, we will not remove that section." It was one of the controversies that arose. They never contended at any time that we did not have any right to ask it, because we were legislating in the same field.

Mr. ANDERSON. I think that demonstrates the old statement that if a man who is not a lawyer tries to interpret the law, he has a fool for a client. I am not an international lawyer. I realize now that the section in the House bill was merely a repetition of title I of the Agricultural Act of 1948, and that it was in a completely separate field.

Mr. KEM. Mr. President, if the Senator will yield, permit me to say that in my judgment he is a very skillful lawyer in the field of agricultural law.

Mr. ANDERSON. I thank my distinguished friend.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. I understand the language in the House report contains this paragraph:

This title of the bill contains schedules which establish minimum levels of price supports in relation to supplies. In carrying out the mandatory price support program for the basic commodities, however, the Secretary is not bound to fix the price support at the minimum level presented by the schedule, nor shall he be bound in any respect by the facts set forth in section 401 (b), and is given full discretionary authority to establish the support levels up to 90 percent of parity.

I am wondering whether there is a conflict between the Senate position and the House position, since the House report, I understand, contains this language. Does the Senator agree that the Secretary has full discretionary power to disregard the table, and support prices up to 90 percent of parity, if he deems it advisable?

Mr. ANDERSON. I think it is a matter that has been discussed between the distinguished Senator from Vermont and the Secretary of Agriculture before the Senate Committee on Agriculture and Forestry, and it has been the position of the Senator from Vermont—and he will correct me if I misstate his position—that the legislation of a year ago, of which he was the author, permitted the Secretary to use any figure between the range there provided, not above 90 percent, and not below the minimum level established in the range. That language pretty largely was repeated by the Secretary of Agriculture when he presented his report to the President on the House bill, the Agricultural Act of 1948, in a letter dated some

time in June, wherein he stated he had the full authority to use the upper or lower level of that range, up to 90 percent, and I say now he has a right to use anywhere between 90 percent and whatever would be carried in the table. I would think he had the obligation to explain why he used certain tables not called for by the act.

Mr. YOUNG. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. YOUNG. In view of the fact that it is in the House report, not in the Senate report, will the Senator say there is no disagreement between the House position and the Senate position?

Mr. ANDERSON. No, I do not say there is no disagreement. I do not think the House conferees attempted to construe the law, but left it perhaps to the agency administering the law. I do not attempt to say there is no difference in the point of view. I say, however, that the language is so plain that I do not think it needs further amplification.

Mr. YOUNG. And the Secretary can support prices up to the 90 percent of parity. Is that correct?

Mr. ANDERSON. Absolutely. It is stated that if the producers themselves disapprove marketing quotas, he shall provide support—and that is why the exact words are used—"at a level not in excess of 90 percent \* \* \* nor less than the amount provided in the tables." I do not see how it could be said in any plainer language.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. This is the same point I raised earlier in the discussion, namely, that the Secretary of Agriculture did have the authority to fix the support price at 90 percent, and I would refer the Senator to page 8, section 412, which reads as follows:

Determinations made by the Secretary under this act shall be final and conclusive.

Mr. ANDERSON. Yes.

Mr. WILLIAMS. So therefore unquestionably under this act he has the power to set the support price, the second year, and the third year, at 90 percent, if he wishes. The Secretary is already on record as favoring 90 percent support, therefore, if we endorse the conference report, to all intents and purposes we might just as well be endorsing the 90-percent-support price as long as the present Secretary of Agriculture occupies his position.

Mr. ANDERSON. I think that is not the situation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I may point out it is only within the last 4 months that the Secretary and those associated with him have indicated that they would be governed by the table and would give the farmers the lowest price fixed by the table. He is clearly on record, at various times, as recognizing the fact that he could operate in the range between the minimum level fixed by the table and 90 percent under the Agricultural Act of 1948. And the same would apply in the tables fixed

in the Anderson bill. It is only recently that he has indicated he would fix the level of support at the minimum determined by the table in the law, and it was only day before yesterday that Frank Woolley, of the Commodity Credit Corporation, came before the conferees and intimated the same thing. In my opinion that is done simply to frighten the farmers of the country into thinking that they would get the lowest possible support, unless such a law were passed as the Secretary recommended to the Congress. I do not think that has been a very praiseworthy thing to do on the part of the Secretary or his associates, because as I shall prove conclusively in a few minutes when I get the floor, the Secretary knew the facts all the time, and Mr. Woolley knows the facts, and everybody in the Solicitor's Office knows the facts.

Mr. ANDERSON. Mr. President, I yield the floor.

Mr. AIKEN. Mr. President, I want to say merely a few words on the bill. First, I desire to commend the Senator from New Mexico for his statesmanlike approach to the agricultural legislation. He has approached this legislation in the interest of a healthy and prosperous agriculture, in the interest of the American public, and in the interest of a democratic form of government. Furthermore he has continued the practice which has been followed by the Senate Agricultural Committee for a long time, particularly during the last 2 years, of approaching the problems in a nonpartisan manner. It has been a privilege to cooperate with him in attempting to work out better agricultural legislation.

We should continually be working to make our laws better and to make our national economy better.

The Senator from New Mexico has maintained dignity through all the efforts to promote good agricultural legislation. He maintained that dignity even in the conference committee meetings, in spite of great and ample provocation to do otherwise.

After the conference report itself, we had much the same trouble we had last year in the conference with the House. It will be recalled that we reached an agreement only in the early hours of the morning, near the close of the session in June 1948. At that time the House conferees had no bill of their own. All they had was a 1-year extension of high wartime supports for agricultural commodities. It was only at the last minute that the majority of the House conferees agreed to the bill which was finally passed, which would extend the high wartime supports for 1 year and provide that the long-range bill of the Senate should take effect on January 1, 1950. As a matter of fact, the present chairman of the House committee, Representative COOLEY, and his ranking member, Representative PACE, did not sign the conference report last year, even though failure to reach an agreement meant going back to 52 to 75 percent of parity. It looked for a while as if we had met a similar impasse this year. We did, however, finally come out of it with a conference report which I do not think suits anyone

exactly, but which all the members of the conference signed. The House again stood for an extension for 1 year more of high wartime supports, but wanted to repeal all the legislation enacted last year, which represented 7 months' work of the Congress.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LUCAS. I think it is important for the RECORD to show that they not only came in with the Gore bill, but the first proposition they submitted to us was that we go along for four additional years, in other words, provide a 5-year program.

Mr. AIKEN. That was their proposition, although their bill called for only 1 year.

Mr. LUCAS. That is correct. They asked for five times as much as their bill called for. That was the first proposition they made.

Mr. AIKEN. It was simply an impossibility to go along with their proposition. So we spent several days and had some rather heated sessions before the conference report was finally agreed to.

I might point out, Mr. President, that it was yielding to the insistence of the House on continuing the highest wartime support for 1 year more, or for the crop year 1949, which has got us into the position which we now occupy, with the maximum borrowing authority of the Commodity Credit Corporation of \$4,750,000,000 so nearly exhausted that by the end of this year it will probably be nonexistent.

As to the bill which the conference committee reported, so far as I was concerned, it was a borderline bill. I had a little difficulty in determining whether the bad features of it were offset by the good features. I finally decided it contained more good than bad features, so I signed the report.

The bad things about the bill are, first, a continuation of 90-percent-parity support for all basic farm commodities for the crop year 1950. That may not mean very much in dollars and cents this year. It does mean, however, that the basic crops will go under strict controls and the farmers may have to remain under Government controls and penalties for a long time to come.

The next bad feature of the bill is the provision which permits the use of two parity formulas for a period of 4 years. That can get us into trouble and be difficult of application. As an example, cotton fiber is a basic commodity. It will be under the old parity formula. Cottonseed is a nonbasic commodity, and will be under the new parity formula which increases its value approximately 20 percent over the old parity formula. The end result of using those two formulas will be that the support for cotton next year will be higher than the highest wartime support we ever had, in spite of the fact that we shall have 8,000,000 or 9,000,000 bales of cotton on hand, which we do not want and which we will not know what to do with. That is one of the provisions of the conference report which I do not like and which I opposed as long as it was worth while to oppose it.



The third provision of the conference report which is objectionable has been already mentioned by the Senator from Delaware [Mr. WILLIAMS]. That is the one which gives the Secretary of Agriculture the right to distribute surplus farm commodities which are in danger of deteriorating or spoiling to private welfare organizations for the assistance of needy persons within the United States. There are great potential political possibilities in that provision, giving the Secretary of Agriculture the power to determine what is a private welfare organization and which private welfare organization shall receive surplus materials.

Those are the bad things about the bill.

The good things about the bill are these: It puts the nonbasic commodities in a much better relationship with agriculture as a whole and with the basic commodities than has ever before been the case. It makes mandatory support for dairy products. It makes mandatory support for certain other nonbasic commodities, such as potatoes, wool, mohair, honey, tung nuts—I do not recall whether there are any others. It makes mandatory, if funds are available, support for other nonbasic commodities for which there are marketing agreements in effect. It specifies that section 32 funds shall be used principally for the support of perishable nonbasic commodities.

That is one of the strong points of the bill, because it will lend encouragement to the farmers of the country to produce commodities other than the six basic commodities of which we already have too much, and it will help to balance our national economy. I think that is the overriding advantage brought out by the bill.

I felt that the good points outweighed the three bad points to which I have called attention, and I supported the conference report.

I might as well be frank about it, Mr. President—I supported it partly because of the great effort which the Senator from New Mexico [Mr. ANDERSON] made to put agricultural legislation on a sound, permanent, and even keel. I thought he deserved support.

That is all I have to say, Mr. President, regarding the bill. There are two or three other things I should like to clear up for the RECORD before I take my seat.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TOBEY. Mr. President, the Senator has just said, in his own way, "I might as well be frank about it." May I comment to the Senate and to my colleague that that is his outstanding characteristic, his frankness and candor and rugged honesty. He never needs to interpolate that statement. Everything he says is said in frankness and sincerity.

Mr. AIKEN. I thank the Senator from New Hampshire.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Florida.

Mr. HOLLAND. I should like to say, if I may, that I desire to join the distinguished Senator from Vermont in his expression with reference to the Senator

from New Mexico, but I wish to make it very sure that the Senator from Vermont likewise gets a liberal expression of commendation and of gratitude on the part of the junior Senator from Florida, in which I am sure all other Members of the Senate join, for the fine spirit which he has manifested and the hard work which he has done in attempting to bring forth a good bill. He is entitled to real credit as a contributing factor.

I particularly appreciate what the Senator from Vermont has said with reference to what he regards as the strongest point in the bill, in which I concur, namely, the making available of section 32 funds, to give the first recognition that has been given in any price-support legislation ever passed by the Congress to the producers of fruits and vegetables and other perishable commodities, who hitherto have been the forgotten segments of agriculture, and who through that provision of the bill will for the first time have some assurance that assets of the Nation will be used to give them and their products some measure of worth-while support as against disaster by way of heavy excesses in surpluses, or from bad marketing conditions.

I wish to express my great appreciation to the Senator from Vermont and to the Senator from New Mexico.

Mr. AIKEN. Mr. President, I thank my colleague from Florida and able fellow committeeman for his remarks.

Mr. CONNALLY. Mr. President—

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Texas?

Mr. AIKEN. I gladly yield to more tributes. [Laughter.]

The VICE PRESIDENT. The Chair has no way of knowing what is in the mind of the Senator from Texas.

Mr. AIKEN. That is a problem we have in the Senate.

Mr. ANDERSON. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield to the Senator from New Mexico.

Mr. ANDERSON. I do not wish to delay the vote on the conference report, but if I tried to express my estimation of the fine Senator from Vermont, we would not get through with the bill until sometime late this evening. Suffice it to say, there would have been no bill without the fine cooperative spirit he has shown. He has demonstrated it again by his attitude here today. I hope the RECORD will be filled many times in the future with my expressions of esteem for the Senator from Vermont, and his fine qualities demonstrated on this floor and elsewhere.

Mr. CONNALLY rose.

Mr. AIKEN. I am not sure for what purpose the Senator rises.

Mr. CONNALLY. It was not in connection with the pending report. I was going to ask permission to present a report; but I do not wish to interrupt this love feast.

Mr. AIKEN. I should like to have 5 minutes before I yield the floor, and I think we will then probably be ready for a vote on the bill.

There has been much misunderstanding about the legislation which was enacted last year, and there has been

much misunderstanding as to where the President and his chief officials stood on the legislation which was enacted last year. I have heard several times recently that the President campaigned on a 90-percent basis last year. To the best of my knowledge he never made any speech in which he indicated a preference for the 90-percent-support basis. To the best of my knowledge he vigorously supported the legislation which was proposed by the Senate Committee on Agriculture and Forestry last year, and I ask unanimous consent to insert in the RECORD, as a part of my remarks, a news story which appeared in the New York Times on Tuesday, June 15, 1948, following the President's address in Los Angeles on the evening of June 14. I understand this was an extemporaneous address, but it was reported by Anthony Leviero, of the New York Times, according to this excerpt which I should like to insert in the RECORD. I call attention particularly to this portion of the article:

Besides prices, he said, Congress ought to act on the Taft-Ellender-Wagner bill, restore the appropriate cuts which he said had virtually destroyed the Department of Labor, enlarge the scope of social-security legislation, pass a health insurance bill, a Federal-aid-to-education program, a Federal power and irrigation project, and his agricultural program which he said was adequately covered in the pending Aiken bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Vermont?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

TRUMAN DEMANDS CONGRESS CONTINUE SESSION AND PASS PRICE CONTROL, SEVEN OTHER BILLS—HOUSING NEEDS CITED—FARM, EDUCATION, HEALTH, SOCIAL SECURITY ACTION ALSO TERMED VITAL

(By Anthony Leviero)

LOS ANGELES, June 14.—President Truman declared today that price controls should be in effect "right now" and demanded eleventh-hour action by Congress on seven other major issues on which he said it had been derelict.

This was the first time that the Chief Executive flatly asserted that price controls should actually be in effect, rather than in a stand-by or reserve category.

He returned to his assaults on Congress, but with a slightly more restrained tone, before an audience of 1,000 guests of the Greater Los Angeles Press Club. The last of the five scheduled major speeches of his present tour, the address was extemporaneous.

Congress is due to adjourn next Saturday. The Chief Executive insisted that in his belief it had enough time to act on the eight issues he discussed. He added that "if they haven't time, they ought to take it."

#### DEcries LABOR DEPARTMENT CUTS

Besides prices, he said, Congress ought to act on the Taft-Ellender-Wagner bill, restore the appropriation cuts which he said had virtually destroyed the Department of Labor, enlarge the scope of social security legislation, pass a health insurance bill, a Federal-aid-to-education program, a Federal power and irrigation project, and his agricultural program which he said was adequately covered in the pending Aiken bill.

Mr. AIKEN. Mr. President, in case the President is not quite high enough authority, I should like to read a brief history of the 1948 legislation as printed in document No. 203 of the Eightieth

Congress, second session. I am sure there will be no question as to the authority which I now quote, because it was no less a person than the Honorable ALBEN W. BARKLEY, then United States Senator from Kentucky, the present Vice President, for whom we have the greatest respect. I should like to read his report on the bill, and make full allowance for any political implications which might be submerged in it somewhere, because I would be the last to deny the genial Vice President the joy of inserting political implications in a statement.

The VICE PRESIDENT. If there were such implications, they were not submerged. [Laughter.]

Mr. AIKEN. Mr. President, I should like to read the story of the 1948 act as recorded by the senior Senator from Kentucky, who was majority leader at that time, beginning on page 30 of Senate Document 203:

More than a year ago the President and the Secretary of Agriculture outlined a peacetime farm plan.

The important principle of the program was: American agriculture should be keyed to a policy of abundance. Abundant production would aid everyone: the farmer, the worker, the businessman, the consumer.

The President has listed the details of the Democratic farm program many times in recent months. He sent this four-point agricultural plan to Congress in May:

"First, the Congress should enact legislation providing on a permanent basis for a system of flexible price supports for agricultural commodities.

"Second, I urge that the Congress give full support to the continuance and expansion of our program of soil conservation.

"Third, I recommend that the Congress continue and strengthen programs to assure adequate consumption of agricultural products.

"Fourth, we need to consider other means for assisting farmers to meet their special problems. For example, we must support and protect farm cooperatives. We must continue to work toward a sound system of crop insurance."

The President's program would modernize the agricultural plans that have grown through the years. Many aspects of the farm program need modernizing. For instance, the present parity formula is based on 1909-14 farm prices and expenses. Since then the tractor and other machinery have become commonplace on most farms. Their impact on farm prices and expenses should be considered.

Both House and Senate Agriculture Committees spent many days considering a modern farm program. Last fall members of the committees toured the country and talked to farmers in the fields. Page after page of committee testimony showed the need for a 1948, not a 1914 or a 1933, farm program.

But floor action on a new farm program was delayed for weeks. Finally the House acted June 12. But its farm bill was disappointing.

The measure passed by the House merely extended present farm legislation until June 30, 1950. The present laws are good, but new, modern ones would have been better.

The House action was significant in view of the 1944 Republican Party platform that condemned the Democratic farm program. The platform called it confused, unreliable, impractical. Thus they voted "me too" on the Democratic program, now that the wisdom of such a plan was proved. Unfortunately, they did not vote for continued progress.

When President Truman announced in May that he was going to send his formal request

for a modernized farm program to Congress in a few days, the Senate Agriculture and Forestry Committee got busy.

I thought we had been busy for 6 months; but we will let that go. The statement continues:

The committee reported its long-range farm program May 17, less than a week after the President sent his special message on farm problems to Congress.

The President had succeeded in prodding the Senate committee into action. And the Senate committee's bill was almost a carbon copy of the sensible farm program proposed by the President.

The Senate Agriculture and Forestry Committee reported a realistic, modern farm bill early in the second session of Congress. Some of the high lights of the measure were:

1. Abundant production would be assured.
2. Agricultural income would be maintained on a flexible parity base.
3. Marketing procedures would be improved.
4. Production quotas, marketing agreements, and crop loans would be worked out.
5. Conservation practices would be encouraged.
6. Farm cooperatives would be strengthened.

These provisions indicated that the Senate committee had closely followed President Truman's recommendations.

The Senate passed this farm program that followed most of President Truman's suggestions. But the House refused to go along with the Senate in enacting a realistic farm program.

The result was that the farm legislation finally passed by Congress merely extended existing laws until June 30, 1950, and postponed a long-range farm program until that date.

Mr. President, that history is so accurate that I would be willing to let the Vice President serve as historian for this august body, provided that all the other records would be equally accurate, and I am sure they would be.

The last insertion I wish to make in the RECORD is a letter which was sent by the Secretary of Agriculture, Charles F. Brannan, to Hon. James E. Webb, Director, Bureau of the Budget, under date of June 25, 1948. Secretary Brannan reported on the agricultural bill, which had then been passed by the Congress. I ask unanimous consent that the letter may be inserted in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 25, 1948.

HON. JAMES E. WEBB,

Director, Bureau of the Budget.

DEAR MR. WEBB: In reply to the request of your office the following report is submitted on the enrolled enactment, H. R. 6248, to authorize the Secretary of Agriculture to stabilize prices of agricultural commodities, to amend section 22 of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937, and for other purposes.

The bill combines the temporary extension of price-support provisions of H. R. 6248 as passed by the House of Representatives and the long-range price-support provisions of S. 2318 as passed by the Senate. In title I this bill extends existing price-support legislation to basic commodities marketed before June 30, 1950, and with certain important modifications to Steagall commodities marketed before January 1, 1950. Beyond these dates it enacts the parity and price-support pro-

visions of the Aiken bill as title II and title III.

More specifically, title I of the bill provides a 90-percent-of-parity support for cooperating producers of cotton, wheat, corn, tobacco, rice, and peanuts marketed before June 30, 1950. It also provides support at 90 percent of parity or comparable prices for milk and its products, hogs, chickens, and eggs marketed before January 1, 1950, and Irish potatoes harvested before January 1, 1949. Prices of other Steagall commodities of the mandatory group are to be supported until January 1950 at not less than 60 percent of parity or comparable price, nor more than the level at which the commodity was supported in 1948.

The price of wool is to be supported at not less than the 1946 average farm price until June 30, 1950.

Section 4 (b) of the Steagall amendment, which applies to commodities for which price support is permissive rather than mandatory, is extended to January 1, 1950.

In addition, title I revises section 22 of the Agricultural Adjustment Act to make possible the application of import quotas or fees on any agricultural commodity if such imports may jeopardize the effectiveness of price-support operations.

Title II of the bill amends the parity price and income formulas, changes the definitions of carry-over, normal supply, and total supply for basic commodities which had been contained in the Agricultural Adjustment Act of 1938, and provides for a new set of support-price schedules and conditions for the period beginning January 1, 1950.

The new parity-price formula keeps the same relationship between agricultural prices and industrial prices that existed during 1910 to 1914. The relationship among individual parity prices, however, is based on the actual average prices during the preceding 10 years. The new parity prices will generally be higher for livestock and livestock products, but lower on field crops.

Title II provides a schedule of minimum price supports for the basic commodities with a moving floor ranging from 60 percent of parity when the total supply is more than 130 percent of the normal supply up to 90 percent of parity when the total supply is less than 70 percent of the normal supply. Whenever acreage allotments or marketing quotas are in effect, the minimum support price provided in the schedule is automatically increased by 20 percent, but the support shall not exceed 90 percent of parity. It should be pointed out that this schedule of price supports is a minimum level, and that the Secretary has authority to support prices of these commodities up to 90 percent of parity.

An exception is made in the case of tobacco, which is to be supported at 90 percent of parity in any year in which marketing quotas are in effect.

In the event that quotas on any basic commodity are disapproved by more than one-third of the affected producers voting in a referendum, the support level is set at 50 percent of parity for the commodity voted on.

The Secretary is authorized to support prices of nonbasic commodities at any level up to 90 percent of parity, taking into consideration the ability and willingness of producers to keep supplies in line with demand and other such factors. Storable nonbasic commodities may be supported with the aid of regular Commodity Credit Corporation funds. Nonstorable nonbasic commodities can be supported only by means of section 32 funds and the Commodity Credit Corporation reserve for the postwar price support of agriculture.

However, regular funds of the Corporation may be used to support the prices of nonstorable nonbasic commodities through operations with respect to storable commodities processed from such commodities.



In addition, the Secretary is directed to support the price of wool at such a level not less than 60 percent nor more than 90 percent of parity as he may consider necessary to encourage an annual production of 360,000,000 pounds of shorn wool, and to support the price of Irish potatoes at not less than 60 percent nor more than 90 percent of parity with Commodity Credit Corporation funds.

The Commodity Credit Corporation is directed not to sell any farm commodity owned or controlled by it at such levels as would substantially impair the effectiveness of current price-support operations. Certain exceptions are provided to this directive.

Title II provides conditions which must exist before marketing quotas may be proclaimed. Marketing quotas for corn, wheat, cotton, and rice may be proclaimed when it is estimated that the total supply for the marketing year in question will exceed the normal supply by more than 20 percent (8 percent in the case of cotton) or when the average farm price for three successive months of the preceding marketing year has been 66 percent of parity or less provided the supply is not less than the normal supply. In every year, the Secretary is to proclaim a marketing quota for each kind of tobacco for which a marketing quota was proclaimed for the immediately preceding marketing year.

There are several provisions which we consider objectionable. We object to the provision which gives special treatment to certain commodities such as those which virtually assure a mandatory price support of 90 percent of parity for tobacco and wool for at least several years. We object, even though the provisions apply only to 1949, to the mandatory 90 percent of parity or comparable price for hogs, chickens, eggs, and milk and its products.

Title II contains undesirable provisions requiring the same price-support operations for broilers, ducks, ducklings, and other poultry that may be undertaken with respect to either turkeys or chickens.

The provisions requiring 50-percent-of-parity price support for basic commodities, even though marketing quotas have been disapproved, may very well lead to serious problems at some future date for some of the basic commodities.

The provision for carrying over section 32 funds up to a minimum of \$300,000,000 adds needed flexibility for the wise use of these funds; however, it is undesirable that the effective date of this provision is delayed until June 30, 1950. The conditions for establishing price-support levels higher than 90 percent of parity are so restrictive that the Department may find it impossible to stimulate production of crops in the national interest such as it did in the case of flax.

Notwithstanding these objections, we recommend that the President approve the bill.

Sincerely,

CHARLES F. BRANNAN,  
Secretary.

Mr. AIKEN. Mr. President, I call particular attention to two sentences of the Secretary's report to the Bureau of the Budget:

The Secretary is authorized to support prices of nonbasic commodities at any level up to 90 percent of parity, taking into consideration the ability and willingness of producers to keep supplies in line with demand and other such factors.

There can no longer be any doubt that the Secretary knew that he had the right to fix the level of support for any commodity anywhere between the minimum provided for by the formula in the act and 90 percent of parity.

I wish to read one other paragraph from the Secretary's letter to the Bureau of the Budget:

There are several provisions which we consider objectionable. We object to the provision which gives special treatment to certain commodities such as those which virtually assure a mandatory price support of 90 percent of parity for tobacco and wool for at least several years. We object, even though the provisions apply only to 1949, to the mandatory 90 percent of parity or comparable price for hogs, chickens, eggs, and milk and its products.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SCHOEPPEL. In view of the statement the distinguished Senator has just read, I wish to ask him if he can enlighten us why the price of corn dropped in June, or just before election day, to the low figure it did?

Mr. AIKEN. No; I cannot enlighten the Senator from Kansas on that point. Perhaps the Secretary of Agriculture could do that.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. I directed the same question to the Department, and the information I received was that the Secretary withdrew from the market during that period.

Mr. AIKEN. Mr. President, I shall conclude with this statement.

The American farmer is being put in a bad light by some of his self-appointed champions.

He is not the greedy animal which their actions might indicate.

He believes in government by the people. He believes in a policy of live and let live. He values his own freedom above all else. He is not asking to gorge himself at the Public Treasury at the expense of others.

No one can tell me, Mr. President, that the farmers of Kansas, North Carolina, or any other State are desirous of becoming wards of the Government, or exchanging their precious heritage of freedom for a Government hand-out.

They are Americans first, last, and all the time and resent the implication that they would sell their birthright for a mess of pottage.

Mr. President, I should like to have inserted in the Record in connection with my remarks excerpts from the testimony of the witnesses who appeared before the Republican meeting held at Sioux City, Iowa, last month.

It has been freely reported that most of the witnesses who appeared at that conference said they wanted 90 percent support. I have made a careful check of the transcript of the testimony of all the witnesses who testified at that meeting. I find that only four of the farmers testified in favor of 90-percent support. The Farmers Union testified in favor of 100-percent support. All the other witnesses who brought up the question of the level of price supports supported the flexible-support levels.

Mr. President, I ask unanimous consent that excerpts from the testimony of the witnesses who testified at the Sioux City

Conference, including both those who favored 90 percent and those who did not, may be printed in the Record at this point in connection with my remarks.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

EXCERPTS FROM TESTIMONY AT SIOUX CITY CONFERENCE, SEPTEMBER 23-24, 1949

#### IN FAVOR OF FLEXIBLE SUPPORTS

We believe that price supports should be flexible, to go down when supplies are high and go up when supplies are low, with a minimum price established by law, and the Secretary of Agriculture having authority to set support prices from this minimum up. (Bruce Haddock, Hornick, Iowa.)

I am firmly of the belief at this time that what we need is a flexible program, one that will adjust itself to quite an extent, and when we talk about flexible supports in a flexible program, we cannot find all the answers, I don't think, shouldn't expect all the answers in a farm program of that type. But to me it is a much more stable program, one that is going to mean a lot more, gain a lot more respect from all of our economy, than a rigid program with rigid supports, which was the program that was in order during the war, when we needed a lot of production and needed it in a hurry. I don't think we in agriculture, as the minority group which we are, about 18 percent, can expect the balance of the economy to accept these rigid programs that we had during the war, and besides that our economy cannot fulfill all those things that are promised us with the rigid controls, rigid support prices. (LeRoy Getting, Sanborn, Iowa.)

Benefit payments, except in cases of emergencies, are not, to my way of thinking, anything more than a dole. You take away the initiative of the individual farmer, you have nothing left but a ward of the government. (Walter Bussey, Tabor, S. Dak.)

I was chairman of the subcommittee on agriculture that wrote the farm plank at the Philadelphia convention, and may I call to your attention that at the Philadelphia convention the Republicans endorsed a flexible support-price program on a long-range, long-term basis, and may I also call to your attention that at that convention farm organizations of all kinds and descriptions, most of them represented here today, endorsed that same flexible support program, and that includes the Secretary of Agriculture, Mr. Brannan, at one time, who also endorsed that type of a program. Anchor Nelson, member, Minnesota Legislature.

We do not want to be put in the position of seeking hand-outs. (Anchor Nelson.)

Speaking for the Minnesota delegation, and there are about 35 or 40 people here, we are united in our support of the recommendation and endorsement of the Republican platform, which supported flexible support prices. We don't say exactly where they should be, we think the Congress is smart enough to figure that out. But we want a sound program, we want one of flexible support prices, which will bring into operation the law of supply and demand. (Anchor Nelson, member, Minnesota Legislature.)

Now, the Hope-Aiken Act, I feel that that act is O. K. in theory and can work if the Republican Party or the party in power is sincere in their efforts to make it work. (Marvin Huckle, Lidgerwood, N. Dak.)

If we are to have a farm program it must be flexible, and any program that is inaugurated must be a program for the most of the people. We can't have a program that will work for just a few people. I am firmly convinced of that. (Howard Waters, Southeast, Iowa.)

I don't favor the Brannan plan and as long as we are not going to be able to get along without the politicians anyway, I am perfectly satisfied with the Aiken plan. (Sam Rymer.)

If this income is to be maintained, we must obtain it from the commodity and not the United States Treasury. (E. A. Johnson, Hawarden, Iowa.)

I believe a long-range program should have, as one of its basic aims, to increase the livestock units per capita in this country. That is the kind of a program that will appeal not only to the farmer, but to every person with a digestive system, and I might remind you that every voter has one. I realize that there are still going to be surpluses and that we are going to need flexible supports. I say let these be low enough so that the inefficient farmer is going to lose money. (Gerald Kitson, Rockford, Mich.)

The Brannan plan is democracy in reverse; the Hope-Aiken law was a step in the right direction, the Republican Party let their own farm bill down, and lost the election. I don't believe that the farmers understood about the Hope-Aiken bill, they thought that was a Democratic farm bill. I believe if we had come out and explained a little bit about the Hope-Aiken bill, and a few of the guarantees, that the farmers would have voted differently than what they did. (Adolph Winter, Weld County, Colo.)

Representative HOEVEN. Do I understand you are representing the Farmers Union of Nebraska?

Mr. MILLIUS. That is correct, sir.

Representative HOEVEN. And the Farmers Union organization in Nebraska is opposed to the Brannan plan?

Mr. MILLIUS. I can't find any sentiment in our people in Nebraska for it.

There seems to be a general agreement that a Government price-support program of some kind is needed. As an example of the sentiment, of 114 farmers who expressed their views at our State-wide meeting, 111—or all but 3 of them—favored some price supports. By an even more overwhelming margin—116 to 1—those farmers said they thought Government controls should be kept at a minimum. The consensus at a meeting held in Henry County produced the same results. But I would like to point out that a poll taken at the Ames meeting showed 94 in favor of a guaranteed floor under farm prices, 13 in favor of a Government guarantee of farm prices at 100 percent of parity and only 4 favored a 90-percent parity program. Nearly 200 farmers attended a similar meeting in Mount Pleasant and the consensus seemed to be for a minimum floor rather than for 100 percent of parity. We cannot and should not try to out-promise or to out-lie any other political party. In my opinion, the Republicans lost a lot of Middle West farm votes last fall because of half truths and in some cases downright lies regarding the grain storage situation put out by the opposition. They would have the American people believe that we Republicans are not interested in the well-being of the farmers; by a reasonable, sensible, educational campaign let's show this up for the bunk that it is. (H. L. McKenzie, St. Ansgar, Mitchell County, Iowa.)

I believe that crops should not be frozen at 100 percent of parity, but rather that the support be shifted as demand and supply shift. However, for our own protection we cannot suggest that prices be allowed to fall below 60 percent of parity. (David Gilker, Brookings County, S. Dak.)

In Kansas, in the group that came with me, we are utterly opposed to the Brannan plan. (Guy Schultz, Lawrence, Kans.)

The flexible program that has been presented by many other speakers and is in the Hope-Aiken bill is pretty much the plan that we are supporting. Mr. SHORT, in his pre-

sentation yesterday, expressed the opinion generally of our organization in general legislative policies. (Warren Fuqua, legislative representative, Missouri Farm Bureau Federation, Columbia, Mo.)

As to the Gore bill, which I believe is the 90 percent of parity, 90 percent of unconditional support regardless of production, the majority of the farmers thought that that would be suicidal for the Government to support unlimited supply. As to the Aiken bill, most of them are unanimous in their support, with certain modification. (Miss Wilma Dixon, Republican committee woman, Crittenden County, Ark.)

The farmers \* \* \* are not pleased at the necessity for making an apparent choice between whether or not they shall live in a regimented and regulated economy which must, of necessity, become more intense as time goes on, and as it has in England, or the necessity of having a repeat of 1932 and 1933. Now, they understand very well that in this dilemma the Democrats have made their choice. They also, gentlemen, understand that the Hope-Aiken formula, which is so carefully worked out, is a well constructed and intelligent compromise between those two alternatives. (R. W. Fisher, Monona County, Iowa.)

But we do not have to have 100 percent of parity. The farmers must know that they are on some sound basis, and when you gentlemen get this sound basis down, advertise it and make it pat, don't be changing, and you can win an election. (Edwin Kent, Juniata, Nebr.)

For the present they feel that they should have a parity guaranty. I personally believe that that parity should be flexible. I think it should be flexible enough to guarantee and stimulate the individual, and not be something that we would look forward to as a guarantee. I don't think the farmer can expect that. (Lloyd E. Davis, farm manager, Morrisonville, Ill.)

We are definitely opposed to the Brannan plan, and to the principle of the so-called "Trial Run." (C. B. Watson, president, Corn Belt Livestock Feeders Association, DeKalb County, Ill.)

Agriculture wants a fair price for its product in the market place of the Nation and support prices for farm products is just as essential to agriculture as minimum wages are for labor. Support prices for agriculture should not be top prices and wages paid on Government-made relief work should not be top wages. (James Wahl, representing Iowa Farmers Union.)

I would say regarding our present farm program that you are interested in, I would say most of our people are for the Anderson plan in some way or, as you may call it, the Aiken bill, amended Aiken bill, and I would say that in doing this, in passing this, I would suggest that it should be so arranged that the scale couldn't fall below 75 percent of parity. (J. B. Hartz, Murdo, S. Dak.)

The price-support level should be only high enough to prevent disastrously low prices and the economic chaos that result therefrom. Let's accept minimum support prices at, say, 70 percent of parity rather than bringing on ourselves the rigid controls as 100 percent of parity price guaranties would necessitate. We do not ask for security at the cost of the loss of freedom to plan and manage our own operations. (David Patterson, Lake Preston, S. Dak.)

Our neighbors were not in favor of the Brannan plan. They are not in favor of the socialized-medicine system, and they would like to see if our program is carried on as it now stands that it would be on the flexible support basis working downward from the high level. (Floyd Blades, Milford, Iowa.)

#### IN FAVOR OF 90 PERCENT AND ABOVE RIGID SUPPORTS

First, a long-range farm program; incorporated in this should be a true 100-percent-parity income based on the 1900 to 1914 base

period. (Charles Jones, Davison County, S. Dak.)

The farm commodities used for domestic consumption should have a floor price of not less than 90 percent of parity, allowing a free market above 90 percent. (Einar Madsen, Minot, N. Dak.)

The farmer is a manufacturer and surely is entitled to the same stabilization of price which the grass-roots bill proposed by providing full parity at all times. (A. E. Wickett, Laurel, Nebr.)

Storage should be on the farm and commodity loans should be made at not less than 90 percent of parity; or in other words, a floor of 90 percent of parity should be placed on all basic commodities. (Charles Bruett.)

Mr. SALTONSTALL. Mr. President, I rise to say that with a great deal of regret I shall vote against the conference report. I say I shall do so with regret because I know the hard work the Senator from New Mexico [Mr. ANDERSON], the Senator from Vermont [Mr. AIKEN] and their associates have put into the preparation of the bill and the conference report.

I shall vote against the report, sir, because I believe the taxpayer and the consumer—the consumer primarily—are the forgotten men in this endeavor.

I realize that we must have and should have some form of flexible support for our farm products. We should have a flexible support that endeavors to keep production within bounds and keep prices at a fair level.

I come from what is primarily an industrial section, the major portion of whose population are consumers of farm products. As I understand the bill, and from the information I can obtain and assimilate, prices for foods will not diminish very much, if at all, under the terms of the bill. It is expected that the passage of the bill will place a considerable drain upon the taxpayers for supporting and buying substantial quantities of farm products.

New England, the section of the country, from which I come, contains many farms. However, the leaders of the farm groups, as well as I can determine from the information I have received from them, are opposed to the bill in its present form.

The bill is essentially one for the benefit of producers of food. They are the ones who are interested in it. They are the ones who should have some form of flexible support. I do not believe that in the long run the producers of our food products are going to be benefited if the consumers and if the taxpayers, who are all of us, are substantially hit by a bill which is for the sole benefit of the producers.

Very briefly, Mr. President, so as not to take further time of the Senate, I expect to vote against the conference report for the reason I have very briefly stated.

Mr. IVES. Mr. President, at the outset of my remarks, which I shall endeavor to make very brief, I desire to quote from an editorial appearing in this morning's issue of the New York Times. The editorial is entitled "A Costly 'Compromise'." It reads as follows:

#### A COSTLY "COMPROMISE"

Senate and House farm bill conferees agreed yesterday on what they are pleased to refer to as compromise legislation.



It is estimated that by the end of the present fiscal year the Government will have had to take title to more than \$2,000,000,000 worth of surplus farm commodities. In the face of this state of affairs; in the face of the admonitions of the Nation's principal farm organizations, and in flat violation of the platform pledge of the Democratic Party, these conferees have agreed to go along, to all intents and purposes, with the very policy that has produced the present glut of farm products. Flexible price supports are promised, it is true, for sometime in the early future, but even if one could accept that promise at its face value—which in view of the postwar record, one obviously cannot—it would hardly help in the present mounting emergency. The conferees' solution of that problem is to continue the wartime policy under which farmers are encouraged to produce, not for the market but for what they can get from the Government for their products.

In only one sense can this measure be described as a compromise. It is a compromise in the sense that the consumer, the taxpayer, and in the end the farmer himself, all stand to share alike. They stand to share alike because, as a result of this act of Senate and House conferees—openly encouraged by the administration—they all stand to lose, and to lose heavily.

Mr. President, as I have stated on the floor during the course of the debate on the farm legislation, I, too, represent farmers. To the best of my knowledge, New York State ranks seventh in agriculture in the United States. I represent a great many consumers, as everyone knows. I am trying to reach a decision and to be in favor of legislation which is fair to all concerned, both producers and consumers.

Mr. President, there is not a Member of the Senate who believes that this bill is a fair bill. We all know that it is not. There is not a Member of the Senate who does not know that it has serious defects. They have been pointed out in the course of the debate which has already taken place. Furthermore, there is not a Member of the Senate who does not know that it is not necessary at this time to enact any kind of farm legislation at all. We have a perfectly good statute, the so-called Aiken law, which has never been allowed to go into effect.

It seems to me, Mr. President, that the thing for us to do at this time, above all others, rather than to agree upon a bill which is so obviously imperfect, is to allow the Aiken law to become effective.

Mr. President, I fully recognize that the Aiken law may not be perfect; and I fully recognize, moreover, that it may be utterly impossible, and probably would be, to draft a perfect piece of farm legislation at this time. For decades we have been endeavoring to do that very thing. But let me point out that only by the method of trial and error, with politics thrown out the window, can we ever reach any kind of sound decision or determination in the form of legislation in this field. For this reason I say that the bill before us should be allowed to die. There should be no action upon it. The Aiken law should be allowed to become effective.

Mr. President, I would be strongly in favor of this conference report or any other bill of this type, for that matter, if it were only to provide high prices for the producers. But, Mr. President,

much as this bill may conform to that requirement, there is much more to it than that, because if that were all there were to it, our problem would be a very simple one. This bill may provide high prices for producers. That is expected. That is its purpose. But at the same time it means ever higher prices for consumers. It means ever higher governmental expenditures.

I listened with rapt attention the other night when the distinguished senior Senator from Illinois [Mr. Lucas], speaking on the amendment which had been adopted at that time, which made 90 percent of parity a fixed feature in the farm bill, eloquently turned to us and challenged those of us who stand for economy. Believe me, Mr. President, there are quite a number of us who strongly favor economy. I dare say that every Member of the Senate is for economy. I point out that if we are genuinely for economy, we cannot support this type of legislation. It means billions of dollars in addition to what is already being spent on our various Government programs. No one knows what the exact added cost would be.

I think it is high time for us to take stock of our position and to come down to earth and consider existing conditions. We want as high prices as can be obtained for the producer, but at the same time we must recognize the rights of the consumer and the taxpayer, as well as the rights of the American people generally. These rights are not being recognized in this particular piece of legislation.

This legislation is not geared for the welfare of all the American people. It is not even geared for the ultimate welfare of those in agriculture. As surely as we are in session here today, if this bill is enacted and left in force, Senators who support it—and I assure the Senate that I am not one of those, for I shall vote against it—will be haunted by the action they are taking in this instance.

Mr. President, this bill is no solution to anything. It will make a bad situation much worse.

Mr. YOUNG. Mr. President, I should like to say a word also for the consumer, and for the wheat growers, who have probably taken more abuse during the course of the discussions on this farm price-support legislation than any other segment of our economy. Wheat prices have dropped \$1.50 a bushel in the past 1½ years, yet in every eastern city bread is selling at the same price at which it sold during the war and since. It has not dropped even 1 cent a loaf.

In New York City alone one milk distributor had a net profit last year of \$26,000,000. His own salary was \$150,000, and the salaries of his two assistants were \$90,000 and \$110,000. Those are things which ought to be investigated in behalf of the consumers.

I should like to point out that under our present support program wheat has a minimum support level of \$1.94 a bushel. Under the Anderson bill as it first came before the Senate the minimum support level for wheat, at 75 percent of parity, was \$1.42 a bushel. As amended by the conference with the House it now has a minimum of \$1.61

per bushel. Under the Aiken Act, taking 70 percent of parity as the support price, which is being very liberal with the sponsor, the support price would be \$1.26 a bushel. If the Members of the United States Senate think that they can keep our economy going and continue to get wheat at \$1.26 a bushel, I think they are badly mistaken.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. IVES. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS. Mr. President, I should like to make a brief statement. After what has been said by the able Senator from New York [Mr. Ives] and the Senator from Massachusetts [Mr. SALTONSTALL], very little could be added to the arguments as to why the conference report should be defeated, and why we should allow the Aiken law to go into effect January 1, 1950.

Both political parties are on record for a flexible farm-support program. That has been debated on the floor of the Senate, and most Members of the Senate voted in favor of a flexible farm-support program.

There is no reason why, at this late date, the last day of the session, we should propose to project the 90 percent level mandatorily for 12 more months, and make it optional with the Secretary of Agriculture for two additional years. The Secretary has already indicated his intention, if he is given the power, of projecting the support level at 90 percent.

As the Senator from New York pointed out, this conference report is unfair not only to taxpayer consumers but to the farmers themselves, who, if this measure is enacted, will end up with controls over their farm operations. They will be regulated by some bureaucrat here in Washington.

Mr. President, there are other reasons why I think we should not agree to the conference report—reasons which oft-times are overlooked. This Government already is operating very much in the red. At the end of the last fiscal year, on June 30, we had a deficit of \$1,811,440,047. That deficit did not take into consideration the \$599,505,171 which was lost on the farm-support program by the Commodity Credit Corporation during the past fiscal year. We are today still further from having a balanced budget.

Since the first day of January of this year, the Congress has appropriated \$46,490,036,699.28. The contract authorizations which have been made at this session of Congress amount to \$4,501,413,298. Making a total of nearly \$51,000,000,000.

Mr. President, let us compare those appropriations and contract authorizations with the corresponding action taken by the second session of the Eightieth Congress, last year. When we do so, we find that the second session of the Eightieth Congress appropriated \$41,764,383,348.03, and made contract authorizations in the amount of \$3,886,371,715, or a total of a little more than \$45,600,000,000.

The present session of Congress, has made appropriations and contract authorizations totaling \$5,340,694,934.25

more than the amount which was appropriated by the Eightieth Congress last year.

When we take into consideration the fact that last year the Government operated at a deficit of around \$2,000,000,000, and that we are now spending at the rate of \$5,225,000,000 faster than we did a year ago, we can see that even assuming we have a national income at the same level as last year's, we shall wind up with a deficit of approximately \$7,000,000,000; if we have a lower national income, we shall have a deficit of more than that.

So I think the time has come to recognize that both the taxpayers and the consumers must be given a "break" in this farm program.

In justice to the farmers, I may say that very few of them or the farm organizations have gone on record in favor of the 90 percent support program. Practically all farmers recognize that the support levels must be lowered to a more realistic basis.

Therefore, Mr. President, I shall vote against the conference report.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD a tabulation showing the breakdown of the appropriations made at the second session of the Eightieth Congress and at the first session of the Eighty-first Congress—in other words, last year and this year.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

### III. Recapitulation of appropriations by acts irrespective of fiscal years (80th Cong., 2d sess.)

REGULAR ACTS	
Agriculture.....	\$577,546,953.00
District of Columbia.....	99,729,483.00
Government corporations.....	38,479,061.00
Independent offices.....	967,442,551.00
Supplemental independent offices.....	5,819,659,851.00
Interior.....	407,836,974.00
Departments of Labor, Federal Security, and related independent agencies:	
Labor, Department of.....	14,423,700.00
Federal Security Agency.....	219,946,750.00
Related agencies.....	655,768,550.00
	890,139,000.00
Supplemental Federal Security Agency.....	975,914,700.00
Legislative.....	56,140,401.00
Military functions:	
Office of the Secretary of Defense.....	6,800,000.00
National Security Council.....	200,000.00
National Security Resources Board.....	3,000,000.00
Department of the Air Force.....	896,811,000.00
Department of the Army.....	5,798,607,163.00
	6,705,418,163.00
Civil functions, Department of the Army.....	641,675,666.00
Department of the Navy.....	3,749,059,250.00
State, Justice, Commerce, and the Judiciary:	
State.....	202,693,862.00
Justice.....	116,655,700.00
Commerce.....	172,428,000.00
The Judiciary.....	19,352,100.00
	511,129,662.00
Treasury and Post Office:	
Treasury.....	299,861,100.00
Post Office.....	1,696,452,325.00
	1,996,313,425.00
Supplemental Treasury and Post Office:	
Treasury.....	190,538,755.00
Post Office.....	57,875,500.00
	248,414,255.00
Total, regular acts.....	23,684,799,395.00

### III. Recapitulation of appropriations by acts irrespective of fiscal years (80th Cong., 2d sess.)—Continued

DEFICIENCY AND SUPPLEMENTAL ACTS, 1949, 1948, AND PRIOR FISCAL YEARS	
Urgent deficiency, 1948.....	\$136,368,385.67
Foreign aid, welfare of Indians, and tax refunds.....	555,125,000.00
First deficiency, 1948.....	778,768,845.84
Supplemental national defense, 1948.....	949,000,000.00
Foreign aid, 1949.....	6,030,710,228.00
Second deficiency, 1948.....	549,774,876.36
Supplemental, 1949.....	15,300,000.00
Total, deficiency and supplemental acts.....	9,015,047,335.87
MISCELLANEOUS LAWS CARRYING APPROPRIATIONS	
Public laws (for details see p. 774).....	\$1,543,704.14
Private laws (for details see pp. 775, 776).....	1,627,445.02
Total, miscellaneous acts carrying appropriations.....	3,171,149.16
Grand total, regular annual, deficiency, supplemental, and miscellaneous acts.....	32,703,017,880.03
PERMANENT APPROPRIATIONS GENERAL AND SPECIAL ACCOUNTS	
Interest on the public debt.....	\$5,300,000,000.00
Refunds of taxes.....	2,768,000,000.00
Sinking fund and other debt retirement funds.....	624,763,000.00
All other permanent and indefinite, general, and special accounts.....	368,602,468.00
Total, permanent, general, and special accounts.....	9,061,365,468.00
Grand total, regular annual, supplemental, deficiency, miscellaneous acts, and permanent appropriations.....	41,764,383,348.03
Deduct trust fund appropriations carried in regular annual, deficiency, and miscellaneous acts and funds.....	
In addition, contract authorizations for the 80th Cong., 2d sess., totaled \$3,886,371,715.	

### III. Recapitulation of appropriations by acts irrespective of fiscal years (81st Cong., 1st sess.)

REGULAR ACTS	
Agriculture.....	\$715,601,607.00
District of Columbia.....	102,754,447.00
Independent offices.....	7,617,739,361.00
Interior.....	584,098,797.00
Departments of Labor, Federal Security, and related independent agencies:	
Labor, Department of.....	16,766,200.00
Federal Security Agency.....	1,487,364,185.00
Related agencies.....	883,669,500.00
	2,387,799,885.00
Legislative.....	62,262,110.00
National Military Establishment:	
Office of the Secretary of Defense.....	191,450,000.00
National Security Council.....	200,000.00
National Security Resources Board.....	3,500,000.00
Department of the Army.....	4,380,644,298.00
Department of the Navy.....	4,285,382,200.00
Department of the Air Force.....	4,088,386,000.00
	12,949,562,498.00
Civil functions, Department of the Army.....	664,178,190.00
State, Justice, Commerce, and the Judiciary:	
State.....	265,305,656.00
Justice.....	132,663,141.00
Commerce.....	259,269,105.00
The Judiciary.....	20,734,200.00
	677,972,102.00
Treasury and Post Office:	
Treasury.....	1,036,318,403.93
Post Office.....	2,054,210,500.00
	3,090,528,903.93
Total, regular acts.....	28,852,497,900.93

### III. Recapitulation of appropriations by acts irrespective of fiscal years (81st Cong., 1st sess.)—Continued

DEFICIENCY AND SUPPLEMENTAL ACTS, 1950, 1949, AND PRIOR FISCAL YEARS	
First deficiency, 1949.....	\$524,649,473.59
Second deficiency, 1949.....	854,838,710.27
Veterans' Administration (H. J. Res. 222).....	595,800,000.00
Foreign Aid Appropriation Act, 1950.....	5,659,990,000.00
Third deficiency, 1949.....	177,740,619.02
Supplemental Appropriation Act, 1950.....	78,005,129.95
Second Supplemental Appropriation Act, 1950.....	1,083,161,658.73
Total, deficiency and supplemental acts.....	8,974,275,591.56
MISCELLANEOUS LAWS CARRYING APPROPRIATIONS	
Public laws.....	\$2,929,807.79
Private laws.....	1,500,000.00
Total, miscellaneous acts carrying appropriations.....	4,429,807.79
Grand total, regular annual, deficiency, supplemental, and miscellaneous acts.....	37,831,203,300.28
PERMANENT APPROPRIATIONS GENERAL AND SPECIAL ACCOUNTS	
Interest on the public debt.....	\$5,450,000,000.00
Refund of taxes.....	2,160,000,000.00
Sinking fund and other debt retirement funds.....	629,191,100.00
All other permanent and indefinite, general and special accounts.....	419,642,299.00
Total, permanent, general, and special accounts.....	8,658,833,399.00
Grand total, regular annual, supplemental, deficiency, miscellaneous acts, and permanent appropriations.....	46,490,036,699.28

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6427) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 1, 4, 5, 8, 15, 21, and 25 to the bill and concurred therein, and that the House receded from its disagreement to the amendment of the Senate No. 6 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5601) to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6230) to direct the Secretary of the Interior to convey certain land to School District No. 5, Linn County, Ore.

The message also announced that the House had agreed to a resolution (H. Res. 404) as follows:

*Resolved*, That a committee of two members be appointed by the House to join a



similar committee appointed by the Senate to wait upon the President of the United States and inform him that the two Houses have completed the business of the session and are ready to adjourn unless the President had some other communication to make to them.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

#### House Concurrent Resolution 148

*Resolved by the House of Representatives (the Senate concurring),* That the two Houses of Congress shall adjourn on Wednesday, October 19, 1949, and that when they adjourn on said day, they stand adjourned sine die.

#### House Concurrent Resolution 149

*Resolved by the House of Representatives (the Senate concurring),* That notwithstanding the adjournment of the first session of the Eighty-first Congress, the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

#### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 509. An act to provide for the advancement of commissioned Warrant Officer Chester A. Davis, United States Marine Corps (retired) to the rank of lieutenant colonel on the retired list;

S. 1232. An act to increase the allowance for equipment maintenance of rural carriers by 1 cent per day for each scheduled mile or major fraction thereof;

S. 1267. An act to promote the national defense by authorizing a unitary plan for construction of transonic and supersonic wind-tunnel facilities and the establishment of an Air Engineering Development Center;

S. 1284. An act to amend section 6 of the Federal Airport Act;

S. 1479. An act to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city delivery service, and for other purposes;

S. 1560. An act to authorize the appointment of Col. Kenneth D. Nichols, O17498, professor of the United States Military Academy, in the permanent grade of colonel, Regular Army, and for other purposes;

S. 1660. An act providing for the conveyance to the Franciscan Fathers of California of approximately 40 acres of land located on the Hunter-Liggett Military Reservation, Monterey County, Calif.;

S. 1825. An act to amend the Post Pay Act of 1945, approved July 6, 1945, so as to provide promotions for temporary employees of the mail equipment shops;

S. 2115. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes;

S. 2290. An act to authorize an appropriation for the making of necessary improvements in the cemetery plots at the Blue Grass Ordnance Depot, Richmond, Ky.;

H. R. 219. An act to confer jurisdiction upon the Court of Claims to determine the amounts due to and render judgment upon the claims of the employees of the Alaska Railroad for overtime work performed;

H. R. 1028. An act to legalize the admission into the United States of Edmea Pachio;

H. R. 2296. An act to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes;

H. R. 2960. An act to amend the Rural Electrification Act to provide for rural telephones, and for other purposes;

H. R. 3793. An act to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia;

H. R. 4000. An act to amend section 16 of the Hawaiian Organic Act relative to disqualification of legislators;

H. R. 4042. An act for the relief of Konstantinos Yannopoulos;

H. R. 4146. An act making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 4586. An act to authorize the Government of the Virgin Islands or any municipality thereof to issue bonds and other obligations;

H. R. 4686. An act to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii;

H. R. 4966. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds;

H. R. 4967. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue bonds for the construction of certain public-park improvements in the city of Honolulu;

H. R. 4968. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue flood-control bonds;

H. R. 5184. An act to approve contracts negotiated with the Belle Fourche irrigation district, the Deaver irrigation district, the Westland irrigation district, the Stanfield irrigation district, the Vale Oregon irrigation district, and the Prosser irrigation district, to authorize their execution, and for other purposes;

H. R. 5191. An act to provide for the furnishing of quarters at Thomasville, Ga., for the United States District Court for the Middle District of Georgia;

H. R. 5345. An act to stabilize prices of agricultural commodities;

H. R. 5354. An act for the relief of Itzchak Shafer;

H. R. 5459. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue bonds for the purposes of defraying the city and county's share of the cost of public improvements constructed pursuant to improvement-district proceedings;

H. R. 5490. An act to enable the Legislature of the Territory of Hawaii to authorize the county of Kauai, Territory of Hawaii, to issue public-improvement bonds;

H. R. 5856. An act to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes;

H. R. 5934. An act to amend the Second Supplemental National Defense Appropriation Act, 1943, approved October 26, 1942 (56 Stat. 990, 999), and for other purposes;

H. R. 6007. An act for the relief of Herminia Ricart;

H. R. 6281. An act to provide for certain improvements relating to the Capitol Power Plant, its distribution systems, and the buildings and grounds served by the plant, including proposed additions;

H. R. 6301. An act to provide for parity in awards of disability compensation;

H. R. 6303. An act to authorize certain construction at military and naval installations, and for other purposes;

H. R. 6305. An act to give effect to the international wheat agreement signed by the United States and other countries relating to the stabilization of supplies and prices in the international wheat market; and

H. J. Res. 373. Joint resolution relating to the sale of certain shipyard facilities at Orange, Tex.

#### FAILURE OF THE PRESIDENT TO NOMINATE MEMBERS OF THE BOARD OF DIRECTORS, COMMODITY CREDIT CORPORATION

Mr. WILLIAMS. Mr. President, there is another matter which I wish to bring to the attention of the Senate. It has nothing to do with the conference report on the farm bill. At the last session of the Congress, there was passed what is known as the Commodity Credit Corporation Charter Act. In that Act, we specified that the Board of Directors of the Commodity Credit Corporation shall be appointed by the President, subject to confirmation of the nominations by the Senate. That act was amended somewhat at the present session of Congress.

It has been called to my attention that the President of the United States, for some reason which perhaps he can best explain, has failed to submit to the Senate the nomination of members of the Board of Directors of the Commodity Credit Corporation. I have checked with the Solicitor of the Department of Agriculture and with the legislative counsel of the Senate; and both are in agreement to the effect that tonight, when the Senate adjourns, the Commodity Credit Corporation will be operating without an official Board of Directors as contemplated by Congress.

That is a rather serious situation. I am not an attorney, and I cannot say whether or not under that state of affairs the Corporation can legally conduct its business as it should be conducted. The courts can determine that point, and no doubt they will be called upon to do so.

Mr. President, I ask unanimous consent that there be printed at this point in the Record, title V, section 56, of the United States Code, 1940, which covers the point I have raised.

There being no objection, the title was ordered to be printed in the Record, as follows:

#### SALARIES TO CERTAIN RECESS APPOINTEES

(Title 5, sec. 56, U. S. Code, 1940 ed., p. 64)

No money shall be paid from the Treasury, as salary, to any person appointed during the recess of the Senate, to fill a vacancy in any existing office, if the vacancy existed while the Senate was in session and was by law required to be filled by and with the advice and consent of the Senate, until such appointee has been confirmed by the Senate. The provisions of this section shall not apply (a) if the vacancy arose within thirty days prior to the termination of the session of the Senate; or (b) if, at the time of the termination of the session of the Senate, a nomination for such office, other than the nomination of a person appointed during the preceding recess of the Senate, was pending before the Senate for its advice and consent; or (c) if a nomination for such office was rejected by the Senate within thirty days prior to the termination of the session and a person other than the one whose nomination was rejected thereafter receives a recess commission: *Provided*, That a nomination to fill such vacancy under (a), (b), or (c) hereof,

shall be submitted to the Senate not later than forty days after the commencement of the next succeeding session of the Senate. (R. S. sec. 1761; June 7, 1924, ch. 377, 43 Stat. 669; July 11, 1940, ch. 580, 54 Stat. 751.)

**Mr. WILLIAMS.** Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a letter which I have received from the Solicitor of the Department of Agriculture, relating to this same question. It is apparent that, as of tonight, there will be vacancies on the Board of Directors of the Commodity Credit Corporation, and that this corporation will not be able to legally function until Congress reconvenes and names are submitted to the Senate by the President for confirmation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT  
OF AGRICULTURE,

Washington, D. C., February 17, 1949.

HON. JOHN J. WILLIAMS,

United States Senate.

DEAR SENATOR WILLIAMS: This letter is in confirmation of and pursuant to your conversation of February 15, 1949, with Mr. George E. Cooper of this office, regarding the members and status of the Commodity Credit Corporation Board of Directors.

The Commodity Credit Corporation Board is presently composed of Charles F. Brannan, Secretary of Agriculture, Chairman, Albert J. Loveland, Ralph S. Trigg, Glen R. Harris, and L. Carl Fry.

As you know, section 9 of the Commodity Credit Corporation Charter Act provides that the Secretary of Agriculture or his nominee shall be a member of the board, and the remaining members shall be appointed by the President by or with advice and consent of the Senate. Section 9 further authorized the appointment by the Secretary of an interim board consisting of five members, including the Secretary, to serve until October 1, 1948. Since the Senate was not in session at the termination of the term of the interim board, the present appointed members of the board, Messrs. Loveland, Trigg, Harris, and Fry, received recess appointments by the President, effective October 1, 1948.

The President's power to make recess appointments is derived from article II, section 2, third clause, of the Constitution of the United States, which provides that the President may fill vacancies during the recess of the Senate by granting commissions "which shall expire at the end of their next session." The terms of the present appointed members of the board thus will expire, by constitutional limitation, at the end of the present session, unless by action of the President and the Senate they are given regular appointments during this session.

If a present member is nominated by the President during this session but rejected by the Senate, he may still continue to hold his office for the constitutional period—that is, until the end of the next session after his appointment, unless his appointment is sooner terminated by the President. However, section 205 of the Independent Offices Appropriation Act, 1949, prohibits the payment of any salary to an appointee whose nomination has been rejected.

If during the present session the President should fail to submit any nominations, or if the Senate should fail to act upon the names of any nominees or should reject any nominees, the President could make further recess appointments to fill any vacancies which existed after the end of this session. However, under section 1761, Revised Statutes, as amended (5 U. S. C. 56), no person receiving such further recess appointment could be

paid a salary unless the appointment came within one of the exceptions enumerated in section 1761.

Sincerely yours,

W. CARROLL HUNTER,  
Solicitor.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

**Mr. JOHNSON of Texas.** Mr. President, I shall support the conference report. I am very happy that this report, as presented by the conferees, provides that wool, including mohair, shall be supported at not more than 90 percent nor less than 60 percent of parity, to encourage the annual production of 360,000,000 pounds of shorn wool.

At present, the annual production of shorn wool is well below this figure. It is estimated that 1949 production will not exceed 216,000,000 pounds. This means, I believe, that production will and should be supported at 90 percent of parity. As I read the report, it means that if wool is supported at 90 percent, mohair must be and will be supported at the same level. Today I have conferred with the administrative assistant to the Chairman of the Commodity Credit Board and with other Department of Agriculture officials about the conference report.

For a vast area of my State, this will be welcome news of justice long overdue. The mohair growers of the southwestern region of Texas have been held for too long under the thumbs of a few speculators who have been forcing the market price down to give-away levels. With the Government on their side now, the mohair growers can welcome the end of the era of enforced economic starvation.

This is a very fine accomplishment; and I want to pay tribute to Senator ANDERSON, of New Mexico, and the other members of the conference, who have been most cooperative and helpful in making possible a price-support program for mohair.

**Mr. HICKENLOOPER.** Mr. President, we have heard a good deal said this afternoon about the consumer. The consumer is entitled to have a great deal said in his behalf and for his benefit; but I call attention to the fact that one section of the consuming public of the United States, and probably the most consistent purchaser of large volumes of durable goods in our entire economy, the consuming farmers of the United States, have not been overemphasized in the giving of consideration in connection with this matter.

The farmers of the United States, composing approximately 20 percent of our population and, I think, a much higher percentage of the purchasers of durable goods in our economy, have been struggling for a great many years under organized proposals for farm programs, beginning back in 1919, 1920, and 1921. We have not yet arrived, perhaps, at a perfect farm formula; but I call atten-

tion to the fact that under any proposal which has been made, the farmer is not asking for excessive economic support. He is willing to take and to live with, if you please, economic support that is less than 100 percent of the cost of the things he has to buy when he is a consumer.

I think there are certain things wrong with the conference report and with the results attained. If the matter were left to me, I believe I could go through the conference report and could pick out a number of things which I would much prefer to have changed. But the conference report, which is the result of the discussions between the conferees on the part of the two Houses, recognizes one principle which I think it is vital to write into a farm program, and which I hope becomes a permanent part of our farm program and its philosophy, namely, the flexible feature of the approach to the parity regulations.

I had hoped that we could put into effect at the earliest possible date a flexible approach to the question of farm surpluses and farm commodities. Apparently we are not going to do that as quickly as I had hoped. But the cost of the goods the farmer has to buy has gone up and up and up; and now there is a fourth round of wage demands, which, if granted, will send still higher the prices of farm machinery and the other durable goods the farmer has to buy.

So when we talk about the consumer, let us think of the great 20 percent segment of the American population, the farmer, who perhaps is the greatest consistent, solid consumer segment of our economy, and who is entitled to great consideration coming in this economy. I do not intend to speak at any length. I could analyze the income, the actual pay-check income, if you please, Mr. President, for hourly wages—that is, for hours worked—in my own State of Iowa, which I believe is the greatest diversified farming State in the Union, and show that the hourly wage for the hours worked in order to produce the end product on the average Iowa farm is not in excess of 50 cents an hour; that is, the net pay-check return after the expenses are paid, when we take the return for the hourly wage, or the net number of hours worked in order to produce farm commodities. I submit, Mr. President, that even under the present situation, under the programs either presently operating or proposed, the actual pay check for the hourly work of those engaged in diversified farming does not even come up to the hourly wage of the man who digs a ditch for a living, or of the most unskilled labor.

When we talk about our economy, let us be fair to both sides. I do not particularly like the pending bill, because of several provisions, but I am going to vote for it, because it establishes a principle, and I believe it establishes a reasonable permanence, at least for some time in the future, of a farm program upon which we can rely. I hope that when we pass the pending bill, Mr. President, the farm program will at least for a season stop being a political football and will be taken out of the realm of partisan politics. It



never should have been in partisan politics in the first place; it is too vital to our economy. I hope we shall end partisan politics and partisan squabbling over the farm bill, at least until this legislation can have a decent chance and a decent trial. But the farmers, under this or any other program which has been proposed, do not even ask to have as much of a reliable income as is represented by the cost of the products they have to buy—yes, products from the factories of the Senator's own State of New York, or from any of the other fabricating centers. Prices are going up, but the farmer's income is not appreciably going up at this time.

I think we have the approach at least to the beginning of a permanent farm program. I should like to see it tried. I should like to see it put into effect with the cordial support and friendly sympathy of both political parties. It has defects, I am sure, but it also has some principles which I believe are helpful and progressive. For that reason I shall support the conference report.

The VICE PRESIDENT. The question is on agreeing to the conference report. The yeas and nays having been ordered, the Secretary will call the roll.

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll, anyway. [Laughter.]

The roll was called, and the following Senators answered to their names:

Aiken	Hill	McMahon
Anderson	Hoey	Malone
Baldwin	Holland	Millikin
Brewster	Ives	Morse
Bridges	Johnson, Colo.	Neely
Chapman	Johnson, Tex.	O'Connor
Connally	Kem	O'Mahoney
Cordon	Kerr	Pepper
Donnell	Kilgore	Russell
Downey	Knowland	Saltonstall
Dworshak	Langer	Schoeppel
Ecton	Leahy	Smith, Maine
Fulbright	Lodge	Thomas, Utah
George	Long	Tobey
Graham	Lucas	Watkins
Gurney	McCarthy	Wherry
Hayden	McFarland	Williams
Hickenlooper	McKellar	Young

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the conference report. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk called the roll.

Mr. IVES (when Mr. DULLES' name was called). The junior Senator from New York [Mr. DULLES] has a pair with the Senior Senator from Minnesota [Mr. THYE]. If the junior Senator from New York were present he would vote "nay." If the senior Senator from Minnesota were present he would vote "yea."

Mr. MCCARTHY (when his name was called). I have a pair with the senior Senator from Ohio [Mr. TAFT]. If he were present and voting he would vote "nay", and if I were permitted to vote I would vote "yea."

The roll call was concluded.

Mr. LUCAS. The Senator from Virginia [Mr. BYRD], the Senator from South Carolina [Mr. JOHNSTON], and the Sen-

ator from Washington [Mr. MAGNUSON] are detained on official business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Virginia [Mr. ROBERTSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], and the Senator from Oklahoma [Mr. THOMAS] are absent on official committee business.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Alabama [Mr. SPARKMAN], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from New Jersey [Mr. SMITH] are absent on official business with leave of the Senate.

The Senator from New Jersey [Mr. HENDRICKSON], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] who is absent on official committee business, is paired with the Senator from Indiana [Mr. CAPEHART] who is absent on official business. If present and voting, the Senator from Michigan would vote "nay," and the Senator from Indiana would vote "yea."

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senator from New York [Mr. DULLES] who is absent by leave of the Senate

is paired with the Senator from Minnesota [Mr. THYE] who is absent on official committee business. Their pair has been previously announced by the senior Senator from New York [Mr. IVES].

The Senator from South Dakota [Mr. MUNDT] is absent on official business with leave of the Senate. If present and voting, the Senator from South Dakota would vote "yea."

The Senator from Ohio [Mr. TAFT] is necessarily absent and his pair has been previously announced by the Senator from Wisconsin [Mr. MCCARTHY].

The Senator from Indiana [Mr. JENNER] is absent on official committee business.

The Senator from Washington [Mr. CAIN] and the Senator from Pennsylvania [Mr. MARTIN] are detained on official business.

The result was announced—yeas 46, nays 7, as follows:

## YEAS—46

Alken	Hill	Malone
Anderson	Hoey	Millikin
Brewster	Holland	Morse
Chapman	Johnson, Colo.	Neely
Connally	Johnson, Tex.	O'Connor
Cordon	Kem	O'Mahoney
Donnell	Kerr	Pepper
Downey	Kilgore	Russell
Dworshak	Knowland	Schoeppel
Ecton	Langer	Smith, Maine
Fulbright	Leahy	Thomas, Utah
George	Long	Watkins
Graham	Lucas	Wherry
Gurney	McFarland	Young
Hayden	McKellar	
Hickenlooper	McMahon	

## NAYS—7

Baldwin	Lodge	Williams
Bridges	Saltonstall	
Ives	Tobey	

## NOT VOTING—43

Bricker	Hendrickson	Reed
Butler	Humphrey	Robertson
Byrd	Hunt	Smith, N. J.
Cain	Jenner	Sparkman
Capehart	Johnston, S. C.	Stennis
Chavez	Kefauver	Taft
Douglas	McCarran	Taylor
Dulles	McCarthy	Thye
Eastland	McClellan	Thomas, Okla.
Ellender	Magnuson	Tydings
Ferguson	Martin	Vandenberg
Flanders	Maybank	Wiley
Frear	Mundt	Withers
Gillette	Murray	
Green	Myers	

So the conference report was agreed to.

#### NOMINATION OF SAMUEL R. VALLIERE TO BE POSTMASTER AT MIAMI, FLA.

Mr. McKELLAR. Mr. President, by accident the nomination of a postmaster at Miami, Fla., was overlooked this afternoon. The committee has reported it, and I ask unanimous consent that the nomination of Samuel R. Valliere to be postmaster at Miami, Fla., be confirmed.

Mr. WHERRY. Mr. President, I understand the nomination was omitted from the list that came up this afternoon.

Mr. McKELLAR. That is correct. I have been so informed by the chairman of the committee, who asked me to make this request.

Mr. WHERRY. There is no objection.

The VICE PRESIDENT. Without objection, as in executive session, the nomination is confirmed, and the President will be immediately notified.

# SECOND SUPPLEMENTAL APPROPRIATIONS, 1950

Mr. McKELLAR submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6427) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 9, 10, 11, 17, 18, 19 and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 7, 16, 22 and 23, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$10,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,250,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$125,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$650,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$5,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 4, 5, 6, 8, 15, 21, and 25.

KENNETH MCKELLAR,  
CARL HAYDEN,  
RICHARD B. RUSSELL,  
STYLES BRIDGES,  
CHAN GURNEY,

Managers on the Part of the Senate.

CLARENCE CANNON,  
JOHN H. KERR,  
LOUIS C. RABAUT,  
MICHAEL J. KIRWAN,

Managers on the Part of the House.

Mr. McKELLAR. Mr. President, I move the adoption of the report.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6427, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,  
October 19, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 5, 8, 15, 21, and 25 to the bill (H. R. 6427) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 6 to said bill and concur therein with an amendment as follows: In lines 4 and 17 of the matter inserted by said amendment strike out "February 1" and insert "February 15."

Mr. McKELLAR. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 6. I will say in explanation of the amendment that it merely changes the date in the Korea amendment from February 1 to February 15. I move that the Senate concur.

The VICE PRESIDENT. Without objection, the motion is agreed to.

Mr. McKELLAR. Mr. President, does that conclude the conference report?

The VICE PRESIDENT. That concludes the conference report.

Mr. BREWSTER obtained the floor.

The VICE PRESIDENT. Will the Senator yield to the Senator from Arizona to present two resolutions?

Mr. BREWSTER. Certainly.

## PRINTING OF HEARINGS BEFORE COMMITTEE ON AGRICULTURE, THE HOUSE OF REPRESENTATIVES

The VICE PRESIDENT laid before the Senate House Concurrent Resolution 146, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Agriculture of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use one thousand additional copies each of the hearings held before said committee during the Eighty-first Congress entitled "General Farm Program", part 3 and part 5, and five hundred additional copies each of those entitled "Rural Telephones", "Forestry", and "1949 Fertilizer Supplies", and five hundred additional copies each of those entitled "General Farm Program", part 1, part 2, part 4, and part 6.

Mr. HAYDEN. Mr. President, I move that the Senate concur in the concurrent resolution.

The motion was agreed to.

## PRINTING OF REPORT OF THE ATOMIC ENERGY COMMISSION

The VICE PRESIDENT laid before the Senate House Concurrent Resolution 147, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Joint Committee on Atomic Energy be authorized to have printed for its use fifty thousand copies of Senate Report 1169, entitled "Report on Investigation into the United States Atomic Energy Commission", and which was introduced in the Senate on October 13, 1949.

Mr. HAYDEN. Mr. President, I move that the Senate concur in the concurrent resolution.

The motion was agreed to.

Mr. HICKENLOOPER subsequently said: Mr. President, will the Senator from Maine yield for a question on a concurrent resolution which has just been adopted?

Mr. BREWSTER. It has not been adopted.

Mr. HICKENLOOPER. The House concurrent resolution was just adopted. I admit a little slowness on my part, but

it went through before I realized what it was.

The VICE PRESIDENT. The Chair did declare it adopted, without objection.

Mr. HICKENLOOPER. I am not criticizing the Chair. It was adopted before I realized what it was. The House concurrent resolution just reported and adopted has to do with the printing of 50,000 copies of some report of the Joint Committee on Atomic Energy. I was wondering if I may ask what the report is, and what it consists of.

Mr. McMAHON. Mr. President, will the Senator from Maine yield to me to answer?

Mr. BREWSTER. I will yield if I may do so without losing the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McMAHON. As I understand, the vice chairman of the committee submitted a resolution in the House for the printing of 50,000 copies of the report of the joint committee which was filed with the Senate and with the House 3 or 4 days ago.

Mr. HICKENLOOPER. Of the investigation?

Mr. McMAHON. Of the investigation.

Mr. HICKENLOOPER. I have no objection to the adoption of the resolution, but I ask the chairman of the Joint Committee on Atomic Energy, if I may be yielded to further, if he objects to amending the resolution to provide that an equal number of copies of the views of the minority of the Joint Committee on Atomic Energy, in connection with the resolution, may be printed when they are filed.

Mr. McMAHON. I would have no objection at all and I desire to cooperate to the end that the Senator gets a chance to disseminate as many copies of the minority views as he wishes, but I do not see how we can now send this concurrent resolution back to the House. It is too late for that. If an amendment were added to it, the resolution would be lost.

Mr. HICKENLOOPER. Mr. President, I think it is quite important. While the minority are not so numerous as the majority, I think the views of the minority of the joint committee rise to just as great importance in an examination of this matter, and therefore, if the Senator will indulge me, I should like to ask unanimous consent that the vote by which the concurrent resolution authorizing the printing of the copies was adopted be reconsidered for the purpose of permitting me to offer an amendment to include provision for the same number of copies of the views of the minority.

Mr. LUCAS. Mr. President, before we vote on that question, it seems to me that if the Senator would present a simple resolution, just as the Senator from Connecticut has, for the minority, there would be no objection to the Senate adopting it. But the situation being as it is, the resolution would have to go back to the House, and could not be finally adopted. In view of the fact that the Senator from Iowa has not seen fit up to this time to file the minority views, as the Senator from Connecticut has done in the case of the majority report, I do



not think he should strive to defeat the resolution, at this late hour. Certainly there would be no objection on the part of anyone to the Senator from Iowa offering a resolution, and the Senate would adopt it, so far as I am concerned, unani- mously, but we should not kill this reso- lution simply because the Senator from Iowa has not seen fit up to this time to do what the Senator from Connecticut has done.

Mr. HICKENLOOPER. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I yield.

Mr. HICKENLOOPER. I am not at- tempting in any way to kill the reso- lution, and I am willing to cooperate in any device that will enable the minority to have the same number of copies of the minority views printed as the majority views. I had no intimation that a re- quest for the printing of 50,000 copies would come in, not in the twilight, but in the sunset, of the session. Had I had any idea I would have gone to Repre- sentative DURHAM, who offered the reso- lution, and would have asked him to in- clude the minority views, and I have no doubt that he would have consented. This is the first inkling I have had of this matter. If the Senator from Illi- nois can suggest a device as to how it could be done, I should appreciate it.

Mr. LUCAS. I think I could suggest some device, but it does seem to me rather unusual that the distinguished Senator from Iowa, who was responsible for the resolution in the beginning charging the Commission with incredible mismanagement, after all the hearings which have been held, would not have thought enough of the minority views to have seen to it that they were dissemi- nated throughout the country as the majority is attempting to do with its views. The only point I am making is that the Senator from Iowa simply by an amendment would kill the resolution, be- cause we cannot get it back to the House. Of course, so far as I am concerned, I would have to oppose the amendment, but I certainly would not oppose any resolution the Senator from Iowa desired to offer which would give him the same right so far as printing 50,000 copies of the minority views is concerned.

Mr. HICKENLOOPER. If the Sena- tor will indulge me, I ask unanimous consent that when the views of the mi- nority have been filed with the Senate, which they will be in a few days, that there be authorized as a Senate docu- ment 50,000 copies of the views of the minority in connection with this matter.

Mr. McMAHON. Mr. President, re- serving the right to object, I will say I believe the Senator from Iowa has hit upon a very happy solution of the diffi- culty. I would not want it to appear in the Record for one moment that the Senator from Connecticut is in any way disposed to prevent the dissemination of the views of the Senator from Iowa and his colleagues on the committee who may agree with him. I am delighted that the Senator has now hit upon this device, and I assume that consent will be given to the printing of 50,000 copies of the dissenting views.

Mr. HICKENLOOPER. I have no de- sire to stop the concurrent resolution. That is not the point. I merely want the minority views to have the same op- portunity for dissemination as the ma- jority views.

The VICE PRESIDENT. Without ob- jection, the request of the Senator from Iowa is granted.

#### IMPORTATION OF POTATOES FROM CANADA

The VICE PRESIDENT. The Senator from Maine [Mr. BREWSTER] has the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. Mr. President, I think I must insist on proceeding in or- der to expedite the business of the Senate.

The VICE PRESIDENT. The Senator from Maine declines to yield further.

Mr. BREWSTER. I have two matters I wanted to bring to the attention of the Senate, Mr. President, in connection with the supplemental appropriation bill. The farm bill has just been passed. In that bill provisions were contained for continuing support for potatoes at 60 to 90 percent of parity—the same pro- visions that have been in effect for 1 year on potatoes, and have been operating very successfully.

Within the last 24 hours, I am advised by the Department of Agriculture, 1,000,000 bushels of potatoes are being loaded in Canada for dumping on our market, and 10 to 12 million bushels are backed up and are expected to be sent to the United States. That will mean the re- tirement of American potatoes at a cost to our Treasury of \$20,000,000. That can be stopped under the provisions of sec- tion 22 of the Agricultural Act, either by the imposition of a fee because of the dumping with a 10-percent devaluation, or by an absolute quota prohibition so long as our support program is in effect. I wanted to take this opportunity to bring that matter home very clearly to the re- sponsible authorities.

A year ago with this same situation developing, the State Department accom- plished, with a celerity that I highly commend, an agreement with Canada by diplomatic negotiations under which Canada agreed to ship no more potatoes into this country except certified seed, and further gave assurance that those potatoes should be used for seed pur- poses. That arrangement was liberally violated. There was no way of enforcing it. However, within the past month, to the amazement of everyone, our State Department has cancelled that agree- ment so that potatoes may now come in from Canada freely, subject only to the restrictions of our tariff and our existing trade agreement, modifying our tariff law—1,000,000 bushels of table stock at 50 percent cut in our tariff of 75 cents, and 2,500,000 bushels of certified seed potatoes which may be used for other purposes.

The potato program this year is going to cost apparently around \$40,000,000, as the result of the reduction of 75,000,000 bushels in production by the reduction

of acreage, and the cooperation of potato growers everywhere. I do not believe that the potato growers of this country, from north, south, east, and west should be held responsible for the \$20,000,000 additional cost that is going to be im- posed on our Treasury, or a 50 percent increase in the current cost, because of the failure of the Treasury and the De- partment of Agriculture to exercise their admitted powers under existing law.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MAGNUSON. I want to ask the Senator a question. If the State Depart- ment had carried out the provisions of section 22, probably this situation would not have occurred, would it?

Mr. BREWSTER. It may be stopped under the provisions of that section, and I hope very earnestly that those who are responsible for its administration will see to it that it is. But in any event the potato legislation of the present farm bill must not be held responsible for whatever increased costs are imposed by the importation of these potatoes from Canada.

#### NATIONAL ELECTION IN THE PHILIPPINES

I want to speak of one other matter which is also relevant. This is of a somewhat more delicate character, so I wish to read what I have to say.

Mr. President, a few days ago, the Con- gress authorized the expenditure of \$27,- 640,000 for military assistance to Iran, the Republic of Korea, and the Republic of the Philippines. It was intended that a substantial part thereof should be made available to the Republic of the Philippines to better enable that new re- public to provide for its military secu- rity, and to assist it in the development of a program to protect it against ex- ploitation by designing or unfriendly powers. But, in taking that action, we also purposed to promote the foreign pol- icy and provide for the defense and gen- eral welfare of the United States. I am certain that all of us are mindful of the fact that, as we provide such military assistance, we assume an obligation and a responsibility to make sure that it serves to assist the United States in the fulfillment of the role of world leader- ship to which destiny has called her, that is, to bring about and preserve world stability and peace.

Conscious of that responsibility, I am concerned that such purpose and ob- jective shall not be frustrated by events beyond the control of either the Con- gress or the President. I refer to the national election campaign now in prog- ress in the Philippines, through which, on November 8, the people of that coun- try will choose their President for the ensuing 4 years.

A sovereign people, they have the right to exercise the freedom of their own choices. Valuing our own freedom and right to order our own affairs, none of us would presume to interfere nor attempt to influence them in their decision.

One of the principal candidates is Dr. Jose Laurel. It has come to my atten- tion that a definite and determined ef-

fort has been, and is now, in progress to develop here in the United States, a public opinion favorable to Laurel. Specifically, I have been informed that an effort is being made in this country to get publishers, editors, and writers of the magazines and the press, to write and publish articles which are favorable to Dr. Laurel, and to persuade them, and also leaders in thought and in our public life, to slant their comment in his favor. Undoubtedly, the purpose must be to assist Laurel in his race for the presidency of the Philippines, by attempting to create in the minds of the Filipino people an impression, or a feeling, or a conviction, that the election of Dr. Laurel would meet with favor in the United States. It appears that there are Philippine nationals in this country who are bent on such a program. And it also appears that some of our own people are thus engaged.

I may be asked: why the attempt to build up public favor and acceptance of Laurel in the United States? That is not hard to understand. The Filipino people are gratefully appreciative to the United States for their freedom. They demonstrated that by their devotion, loyalty, and heroic sacrifice in the recent war. They want our continued support and friendship. They look to us for help and guidance.

But I remind the Senate that Laurel was installed by the Japanese as the puppet President of the Philippines. He collaborated with Japan. He, it was, who declared war on the United States. He, it was, in whom Yamashita expressed his confidence in a radio message which he sent to the Imperial Government in Tokyo, about March 1945, after the liberation of Manila, when he advised that he proposed to fly the officials of the puppet government to Tokyo.

He, it was, who, Yamashita stated on September 25, 1945, was pro-Japanese and subservient to Japanese authority because the Japanese had made him President. In fact, since the days of General Wood as Governor General of the Philippines, Laurel has generally been regarded as anti-American.

The Filipino people know that. They have not forgotten the burning and destruction of their homeland. Nor the cruelty, tortures, atrocities, butchering, and killing by the arrogant and fanatical Japanese. Laurel and his smart supporters and propagandists know that. Consequently, they are anxious to overcome opposition and prejudice resulting therefrom, by attempting to make the Filipino people believe that, here in the United States, we have condoned his treachery, and that, if elected as President, he will enjoy the confidence of the Government and the people of the United States.

Mr. President, I have not been able to discover that Mr. Laurel has had any change of heart toward the United States. So far as I know, we have no basis for any assurance that, if elected President of the Philippines, Laurel would cooperate with the United States, either in our desire to rehabilitate, support, and strengthen the Philippines, or in our effort to promote stability, prog-

ress, and peace in the Pacific and the Far East. It would appear to be a serious mistake to barge ahead and provide military assistance to the Philippines and take any chance that it might be administered, controlled, or dictated by any leader or group of leaders who might be unfriendly to the United States.

Under these circumstances, Mr. President, it seems to me that both the Congress and the President of the United States owe a duty, both to the Philippines and ourselves, to proceed with caution and to take no further steps to provide military assistance to the Philippines, until after their election is held. We may want to take another look. We may want to shift or alter our course. I have great faith in the Filipino people. But we should not take any chance which might let them down or destroy our opportunity to make their cause secure. Events might dictate that a different policy or program is desirable and necessary to promote the welfare of both the Philippines and the United States in the Far East.

#### THE POTATO SITUATION

Mr. LUCAS. Mr. President, the distinguished Senator from Maine [Mr. BREWSTER] has discussed the potato situation briefly in his very able address. We kept potatoes out of the argument during the debates on the farm bill; and in the conference little was said on the subject.

What the Senator from Maine says about the importation of potatoes from Canada may be true. If it is true, and his premise and his conclusions are correct, I hope the Department will look into the situation.

What I rose to say was this: One of the chief reasons why the farm program is in disrepute throughout America is the support price on potatoes.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. BREWSTER. Would the Senator add that that was because of the support price of 90 percent last year?

Mr. LUCAS. That is correct.

Mr. BREWSTER. And that, under my amendment of last year, it was reduced to 60 percent.

Mr. LUCAS. Yes.

Mr. BREWSTER. It is now going to cost us \$40,000,000 instead of \$250,000,000.

Mr. LUCAS. The Senator is correct in the statement he makes with respect to the potato program. Under the bill which we passed, there is a minimum parity of 60 percent. However, I wish to place these figures in the RECORD, in view of the fact that the potato program has been discussed again.

From October 15, 1933, to June 30, 1949, the potato-support program cost the Treasury \$339,410,344. In contrast with that, we have been discussing primarily in this farm program the basic commodities, which, when this program is placed in effect, will be under controls through acreage allotments or through quotas.

From October 17, 1933, to June 30, 1949, the Commodity Credit Corporation

made money on corn, cotton, peanuts, rice, tobacco, and wheat. It lost money on peanuts, but made a sufficient sum on the other commodities to show a profit of \$129,634,218.

I am not sure what this program is going to cost the American taxpayer in the future. We have a flexible program, one which I was not inclined to go along with in the beginning because of the double parity feature, but legislation is always a compromise, and we were compelled to compromise to get away from the rigid 90 percent support price on basic commodities and certain nonbasics which the House was insisting that we include.

I merely mention this fact to demonstrate that, after all, the basic commodities, which are worth while from the standpoint of a fundamentally sound program, up to this date have cost the taxpayers nothing. On the other hand, the Commodity Credit Corporation has made \$129,000,000.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Maine.

Mr. BREWSTER. I have not looked into the figures, but I have been repeatedly told that while the results are as the Senator says up to date, we are now in a considerably more precarious position.

Mr. LUCAS. I think the Senator is correct.

Mr. BREWSTER. We have 800,000,000 bushels of corn in prospect as a carry-over. We have many millions of bushels of wheat. I do not know how many million bales of cotton we have. We may have a very different result in the future.

Mr. LUCAS. I think the Senator is correct. As a result of the carryovers, and what we have stored at the present time, the future situation is not comparable.

At the same time, when we were making money from the basic commodities, we were doling that money out to the potato growers to the tune of many millions of dollars, as shown by the figures which I have placed in the RECORD.

The Senator from Maine, recognizing that the situation was bad and indefensible, offered an amendment last year which has brought the potato program down to where it is costing only from \$40,000,000 to \$50,000,000 a year. I think that is about right. I merely throw this in for good measure, because my good friend was seeking to show that the State Department was doing something wrong in allowing importations of potatoes. Perhaps that is correct; but at the same time we must not forget what the taxpayers have done for the potato growers of Maine during the past 4 or 5 years, to the detriment of the taxpayers of America, while the basic commodities in my section of the country were making money for the Commodity Credit Corporation.

Mr. BREWSTER subsequently said: Mr. President, I wish to express my appreciation of the fairness of the statement regarding the potato situation. The Senator from Illinois did use, I think



inadvertently, certain words which I hope will be stricken from the RECORD, when the Senator intimated that the basic commodities are the crops that are worth while, rather implying that potatoes are not worth while. I am sure the Senator from Illinois did not intend any such implication of connotation.

Mr. LUCAS. No; I would never spoil the spud in any such manner, because I think it is one of the best of the non-basic commodities on which the American people depend.

Mr. BREWSTER. I think the record is clear about the potato program and its importance.

#### STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

Mr. KNOWLAND. Mr. President, at the request of the junior Senator from Michigan [Mr. FERGUSON] who left for Europe today with the Appropriations Committee, I ask unanimous consent to have printed in the body of the RECORD a telegram addressed to him from the American Farm Bureau Federation of the State of Michigan, relative to the farm bill.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

LANSING, MICH., October 17, 1949.  
HON. HOMER FERGUSON,  
Senate Office Building:

Michigan Farm Bureau seriously opposed to proposed amendment Anderson bill which require Government quotas and controls. In 1950 recent poll 60 county Farm Bureaus express serious opposition to compulsory 90 percent support prices regardless of supply. Urge bill be amended in conference in accordance American Farm Bureau recommendation.

C. L. BRODY, Secretary.

#### NOTICES OF HEARINGS BEFORE JUDICIARY COMMITTEE ON JUDGESHIP NOMINATIONS

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary I send to the desk notices of hearings on several judgeship nominations, which came to the Committee on the Judiciary too late to hold hearings. The hearings are all set for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building.

The notices are as follows:

##### NOTICE OF HEARING ON NOMINATION OF THOMAS J. CLARY TO BE UNITED STATES DISTRICT JUDGE, EASTERN DISTRICT OF PENNSYLVANIA

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Thomas J. Clary, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

##### NOTICE OF HEARING ON NOMINATION OF FRANK A. HOOPER TO BE UNITED STATES DISTRICT JUDGE, NORTHERN DISTRICT OF GEORGIA

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee,

I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Frank A. Hooper, of Georgia, to be United States district judge for the northern district of Georgia, to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

##### NOTICE OF HEARING ON NOMINATION OF CHARLES FAHY, TO BE A JUDGE OF THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Charles Fahy, of New Mexico, to be a judge of the United States Court of Appeals for the District of Columbia Circuit to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

##### NOTICE OF HEARING ON NOMINATION OF WILLIAM HENRY HASTIE, TO BE JUDGE OF UNITED STATES COURT OF APPEALS, THIRD CIRCUIT

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of William Henry Hastie, of the Virgin Islands, to be a judge of the United States Court of Appeals for the Third Circuit to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

##### NOTICE OF HEARING ON NOMINATION OF ALLAN K. GRIM, TO BE UNITED STATES DISTRICT JUDGE, EASTERN DISTRICT OF PENNSYLVANIA

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m. in room 424, Senate Office Building, upon the nomination of Allan K. Grim, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

##### NOTICE OF HEARING ON NOMINATION OF OWEN M'INTOSH BURNS, TO BE UNITED STATES DISTRICT JUDGE, WESTERN DISTRICT OF PENNSYLVANIA

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Owen

McIntosh Burns, of Pennsylvania, to be United States district judge for the western district of Pennsylvania to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

##### NOTICE OF HEARING ON NOMINATION OF J. SKELLY WRIGHT, TO BE UNITED STATES DISTRICT JUDGE, EASTERN DISTRICT OF LOUISIANA

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of J. Skelly Wright, of Louisiana, to be United States district judge for the eastern district of Louisiana, vice Honorable Wayne G. Borah, elevated. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

##### NOTICE OF HEARING ON NOMINATION OF GUS J. SOLOMON, TO BE UNITED STATES DISTRICT JUDGE, DISTRICT OF OREGON

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Gus J. Solomon, of Oregon, to be United States district judge for the district of Oregon, to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

##### NOTICE OF HEARING ON NOMINATION OF IRVING R. KAUFMAN, TO BE UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Irving R. Kaufman, of New York, to be United States district judge for the southern district of New York to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

##### NOTICE OF HEARING ON NOMINATION OF GREGORY F. NOONAN, TO BE UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Gregory F. Noonan, of New York, to be United States district judge for the southern district of New York to fill a new position. At the indicated time and place all persons

interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

NOTICE OF HEARING ON NOMINATION OF JOHN F. X. MCGOHEY, TO BE UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK, TO FILL A NEW POSITION

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of John F. X. McGohey, of New York, to be United States district judge for the southern district of New York to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

NOTICE OF HEARING ON NOMINATION OF DELMAS C. HILL, TO BE UNITED STATES DISTRICT JUDGE, DISTRICT OF KANSAS

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Delmas C. Hill, of Kansas, to be United States district judge for the district of Kansas to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

NOTICE OF HEARING ON NOMINATION OF M. NEIL ANDREWS, TO BE UNITED STATES DISTRICT JUDGE, NORTHERN DISTRICT OF GEORGIA

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of M. Neil Andrews, of Georgia, to be United States district judge for the northern district of Georgia, vice Robert L. Russell, elevated. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

NOTICE OF HEARING ON NOMINATION OF DAVID L. BAZELON, TO BE A JUDGE OF THE UNITED STATES COURT OF APPEALS, DISTRICT OF COLUMBIA CIRCUIT

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of David L. Bazelon, of Illinois, to be a judge of the United States Court of Appeals for the District of Columbia Circuit to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

NOTICE OF HEARING ON NOMINATION OF GEORGE THOMAS WASHINGTON, TO BE A JUDGE OF THE UNITED STATES COURT OF APPEALS, DISTRICT OF COLUMBIA CIRCUIT

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of George Thomas Washington, of the District of Columbia, to be a judge of the United States Court of Appeals for the District of Columbia Circuit to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

NOTICE OF HEARING ON NOMINATION OF H. NATHAN SWAIN, TO BE JUDGE OF THE UNITED STATES COURT OF APPEALS, SEVENTH CIRCUIT, TO FILL A NEW POSITION

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of H. Nathan Swain, of Indiana, to be judge of the United States Court of Appeals for the Seventh Circuit to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

NOTICE OF HEARING ON NOMINATION OF SIDNEY SUGARMAN, TO BE UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, January 3, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Sidney Sugarman, of New York, to be United States district judge for the southern district of New York to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

Mr. MAGNUSON. The subcommittee holding the hearings will be the Senator from Maryland [Mr. O'CONOR], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

The VICE PRESIDENT. The Chair should advise the Senate that these nominations will lapse and will have to be returned to the Senate by the President at the beginning of the next session, unless the rule which prevents their being acted upon if the Congress is in adjournment for more than 30 days is suspended.

Mr. MAGNUSON. Mr. President, I was going to state that the Judiciary Committee is fully cognizant of that; but anticipating that in the main the present holders of these positions probably will be renominated, we shall take

expeditious action in holding hearings on the nominations, if those who now hold the positions are renominated.

The VICE PRESIDENT. The Senator does not wish to ask that the rule be suspended, does he?

Mr. MAGNUSON. No; I do not. I merely wish to make this announcement.

Mr. DONNELL. Mr. President, will the Senator from Illinois yield, to permit me to ask one or two questions?

Mr. LUCAS. Mr. President, the request to suspend the rule is not going to be made by the Senator from Washington, and I hope we will not get into an argument about the matter.

Mr. MAGNUSON. Mr. President, I am sure there will not be an argument about it.

Mr. LUCAS. Very well; I yield.

Mr. DONNELL. I understand that the Senator is not asking that the provisions of rule XXXVIII or of any other rule be waived in connection with this matter.

Mr. MAGNUSON. No; I merely announced that should the present holders of these positions be renominated, hearings will be held on January 3, on the renominations. I make that announcement so that the Senate will know when the hearings will be held.

Mr. DONNELL. I thank the Senator, and I thank the Senator from Illinois for yielding.

Mr. WHERRY. Mr. President, will the Senator yield, so that I may ask a question?

Mr. LUCAS. I yield.

Mr. WHERRY. I do not desire to prolong the discussion of this matter, either; but the date the Senator from Washington has set for the commencement of the hearings will be the first day of the next session of the Eighty-first Congress. How could the nominations be referred to the committee on the first day of the session in time to permit hearings to be held on that day?

Mr. MAGNUSON. The nominations could be referred on that day.

However, I am making this announcement on behalf of the acting chairman of the Judiciary Committee. Apparently that is his decision.

But there are so many nominations that I assume that by the time the committee meets and decides about the witnesses to be heard, it probably will be a day later when the hearings will begin.

Mr. MAGNUSON subsequently said: Mr. President, on behalf of the Judiciary Committee, I may say I have just read the notices of hearings, in the event reappointments are made. The notices I read carries the date of January 3. I have conferred with Members, who have asked me to suggest that the notices should read January 5, rather than January 3.

The VICE PRESIDENT. Without objection, it is so ordered.

SURVEY OF PRINCIPAL LEGISLATIVE ACCOMPLISHMENTS OF THE SENATE IN THE FIRST SESSION, EIGHTY-FIRST CONGRESS

Mr. LUCAS. Mr. President, at this time I wish to place in the RECORD a comprehensive survey of the principal legislative accomplishments of the Senate from January 3 to October 19.



This is a factual summary of the major measures approved by the Senate during this long session. It represents a great deal of thought and effort upon the part of the Members of the Senate.

I ask unanimous consent to have this survey printed in the body of the RECORD, and I hope every Senator will carefully examine it.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

#### SENATE ACCOMPLISHMENTS DURING FIRST SESSION OF EIGHTY-FIRST CONGRESS

##### I. AGRICULTURE

H. R. 5345: This bill, as agreed upon by the conferees, provides a permanent price support program for agricultural commodities. The basic crops of the Nation, corn, wheat, cotton, tobacco, rice, and peanuts are supported on the basis of a sliding scale with supports ranging from 75 to 90 percent of parity, the level of support depending upon estimated production in relation to normal demand.

Price supports at 90 percent of parity are mandatory for the 1950 crops and not less than 80 percent for 1951 and, thereafter, may range from 75 percent to 90 percent, the minimum level varying by the degree of supply in relation to the demand.

The bill also provides permanent flexible price supports for certain special commodities, such as whole milk, butterfat, etc. One important section of the bill lodges major discretionary power in the Secretary of Agriculture with respect to price supports for non-basic commodities. To the modernized parity formula established in this bill there has been added the factor of farm labor which increases parity prices on an average of approximately 6 percent. Parity prices on the basic commodities cannot be less than the parity prices figured on the present formula for a period of 4 years.

S. 900: Revises charter of Commodity Credit Corporation to provide adequate crop storage facilities and exchange of surplus commodities for strategic and critical materials. This enables farmers to market their crops at the most profitable times, by making available to them vastly increased storage bins. In view of the huge crops now expected, this legislation meets an urgent need. (Public Law 85.)

H. R. 2101: Authorizes the Secretary of Agriculture to make "production-disaster" loans to farmers from \$44,000,000 revolving fund. In the past, Congress has been forced to act hastily to meet disaster conditions. This bill sets aside money which will be readily obtainable by farmers in future emergencies. It is designed to help prevent economic emergencies caused by natural disasters affecting agricultural production. (Public Law 38.)

H. R. 3825: Provides for expansion of crop insurance on a sound business basis which will avoid the losses previously experienced. Offers farmers the types of insurance they want and are willing and able to pay for. Gives recognition to a new and promising form of insurance known as multiple crop insurance. Under this policy, all the major crops on a farm are insured. While the crops are considered separately in establishing the amount of coverage and the premium rate, the insurance contract is farm-wide, guaranteeing the farmer a return from all the insured crops equal to the agreement of his insurance. This kind of crop insurance is highly desirable in diversified farming areas. The bill authorizes this new form of insurance in 50 counties, with provision for the addition of other counties over the next 4 years. (Public Law 268.)

S. 1962: This bill amends the Agricultural Adjustment Act of 1938 to provide that whenever the total supply of cotton in any

year exceeds the normal supply the Secretary shall proclaim a national marketing quota for the crop of cotton produced in the next current year. Referendum procedures are required in general accordance with marketing-quota programs for other farm products. The bill deals with the three major problems confronting the cotton industry: (1) Establishment of a system of marketing quotas to adjust the flow of cotton into the market; (2) to make sure that adjustments reflect current trends in production and assumption; (3) to avoid too drastic a cut in cotton acreage in any 1 year on farms in any area. (Public Law 272.)

H. J. Res. 327: Appropriated \$1,750,000 for control of pests and plant disease. (Public Law 215.)

S. 930: As the bill passed the Senate, it provides for the liquidation of various trusts created under transfer agreements with State rural rehabilitation corporations. The Secretary of Agriculture, at present, acts for the United States as trustees for about \$50,000,000 worth of assets acquired under agreements from 43 State rural rehabilitation corporations. These corporations were organized in 1934-35 to assist the Federal and State Governments in the administration of funds provided by the Federal Emergency Relief Act of 1933. The funds set aside for rural rehabilitation were used for loans providing seeds, livestock, equipment, additional lands, training in farm and home management, and relocating displaced farmers.

S. J. Res. 53: 1. Launches a long-range program to restore American forests. There are about 4,000,000 acres of denuded and unsatisfactorily stocked lands in our national forests. Reforestation of these lands is required to bring them back into timber production. During the war reforestation work was virtually suspended. This bill will enable the Forest Service to resume its essential job of restoring millions of acres to productive use.

2. Provides for an enlarged program to restore about 4,000,000 acres of grazing land in the national forests which are in a seriously depleted condition. Depleted range and water-shed areas can be restored to productivity and made to support from 5 to 10 times the number of livestock now carried. (Public Law 348.)

H. R. 2960: Amends the Rural Electrification Act of 1936 authorizing the Rural Electrification Administrator to finance, or re-finance (not to exceed 40 percent of existing indebtedness), for the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems to furnish and improve telephone service in rural areas. Loans will be made at 2 percent annual interest. All loans will be self-liquidating.

H. R. 2296: As passed by the Senate, this bill amends the Clarke-McNary Act which is the basic legislation establishing Federal-State cooperation in forestry activities. Provides for a gradual increase in Federal participation in the forest-fire-prevention program over the next 6 years. Also increases the authorization for Federal cooperation with the States in the procurement, production, and distribution of forest-tree seeds and plants.

H. R. 3699: Provides for the amendment of the Federal Farm Loan Act, as amended, to allow the installation of national farm loan associations in Puerto Rico and Alaska; provides that the maximum limitation for any loan shall be raised from \$50,000 to \$100,000, but loans to any one borrower shall not exceed \$25,000 unless approved by the Land Bank Commissioner.

##### II. APPROPRIATIONS

Treasury and Post Office (Public Law 150). Labor and Federal Security, 1950 (Public Law 141). Agriculture, 1950 (Public Law 146).

State, Justice, Commerce, 1950 (Public Law 179).

Legislative, 1950 (Public Law 118).

District of Columbia, 1950 (Public Law 145).

Independent Offices, 1950 (Public Law 266).

Army-Civil Functions, 1950 (Public Law 355).

Foreign Aid, 1950 (Public Law 327).

Interior, 1950 (Public Law 350).

National Military Establishment, 1950.

First deficiency (Public Law 71).

Second deficiency (Public Law 119).

Third deficiency (Public Law 343).

First supplemental (Public Law 358).

Second supplemental.

##### III. CIVIL RIGHTS

S. 1527: Without a dissenting vote, the Senate passed this bill to give home rule to the people of the District of Columbia. The Senate action was in accordance with the 1948 platforms of both major parties. Action on this measure to give the rights of suffrage and self-government to District of Columbia residents has not yet been taken by the House of Representatives.

##### IV. ECONOMIC STABILIZATION AND INDUSTRY

S. 547: Extended to September 30, 1949, the President's authority to make voluntary agreements affecting transportation, inventory control, speculative trading in commodities affecting cost of living, and for allocation of key materials in short supply. (Public Law 6.)

S. 548: Extends until June 30, 1951, the President's authority to control exports in order to protect our domestic economy by limiting shipments of scarce materials, and to channel exports to countries where needs are greatest and where our foreign policy and national economy will best be served. (Public Law 11.)

H. R. 2313: Suspends the import tax on copper entered for consumption, or withdrawn from warehouses for consumption, between April 1, 1949, and March 31, 1950. (Public Law 33.)

H. R. 5044: Continues for 1 year certain powers conferred upon the President by the Second Decontrol Act of 1947 relating to tin and tin products. (Public Law 153.)

H. R. 5240: Continues until January 1, 1951, the import controls on fats and oils, rice and rice products, under title III of the Second War Powers Act of 1942. (Public Law 155.)

H. R. 1731: Extends rent control for 15 months from March 31, 1949, with provisions designed to guarantee fair treatment for tenants and landlords. (Public Law 31.)

S. 714: Authorizes the appropriation of \$40,000,000 for comprehensive planning, site acquisition, design of Federal building projects outside of the District of Columbia, transfer of jurisdiction of certain lands between departments and agencies of the United States, and \$30,000,000 for modernization of existing structures. (Public Law 105.)

S. 2116: Authorizes \$100,000,000 to aid States and local governments in making plans for public works. Encourages States and other public agencies to maintain reserves of fully planned public works to be available for quick construction if economic conditions should make such action desirable. Funds are to be appropriated for a 2-year period, and will be divided among the States by the Administrator of General Services under a percentage arrangement laid down in the bill. (Public Law 352.)

##### V. HEALTH

S. 614: Increases aid for construction of hospitals and other medical facilities where needed. This bill authorizes an appropriation for the fiscal year ending June 30, 1950, and for each of the five succeeding fiscal years, the sum of \$150,000,000 for the construction of public and other nonprofit hospitals. The Federal share of the cost cannot exceed 68½ percent of the State's allotment percentage. It further authorizes \$1,-

200,000 in Federal funds for aid to States, political subdivisions, universities, hospitals, and other nonprofit institutions for research or experimental projects relating to hospital services, facilities, and resources.

S. 522: As passed by the Senate, this bill amends the Public Health Service Act by authorizing assistance to States and political subdivisions in the development and maintenance of local public health units. This bill authorizes the establishment and maintenance of local public health units under approved State plans, aided by Federal grants, and administered by the Surgeon General.

S. 1411: As passed by the Senate, this bill provides for development of school health services, for prevention, diagnosis, and treatment of physical and mental defects and conditions. Authorizes an appropriation of \$35,000,000 to provide Federal aid to States for periodic health examinations and diagnosis, including dental examinations, for all school children.

H. J. Res. 228: Appropriates \$75,000 for the work of the President's Committee on National Employ the Physically Handicapped Week. (Public Law 162.)

S. 1453: As passed by the Senate, the bill provides grants and scholarships for education in the medical, dental hygiene, nursing, public health, and sanitary engineering. The bill provides that funds for construction and equipment will not exceed 50 percent of cost. It authorizes an appropriation of \$2,500,000 and administrative authorizations are included under title II. Appropriations are limited to a 5-year period.

S. 2591: As passed by the Senate, this bill amends the Public Health Service Act to provide research and training in arthritis, rheumatism, multiple sclerosis.

#### VI. HOUSING

S. 1070: This is an act to establish a national housing objective of a decent home for every American family. It provides Federal aid for slum clearance projects and low-rent public housing projects, and Federal assistance for the construction of decent, safe, and sanitary farm dwellings. It authorizes the building of 810,000 low-rent housing units over the next 6 years, for the use of American families with small incomes. It is also designed to stimulate the private building industry to construct more than 1,000,000 housing units a year to overcome the severe housing shortage in the United States. (Public Law 171.)

S. 1184: Provides mortgage insurance of rental housing at military or naval installations. (Public Law 211.)

S. 851: To promote the settlement and development of the Territory of Alaska by facilitating the construction of housing. (Public Law 52.)

#### VII. INTERNATIONAL RELATIONS

Ratified International Wheat Agreement which provides a guaranteed market for 168,000,000 bushels of American wheat annually for the next 4 years, at prices ranging from \$1.20 to \$1.80 a bushel.

H. R. 6305: This bill will enable the United States to carry out its obligations under the International Wheat Agreement. Acting through the Commodity Credit Corporation, the President directs the operations to fulfill our commitments under the agreement. For the first year, at least, this will involve payment of a subsidy representing the difference between the cost of the wheat and wheat flour and the maximum price allowed under the terms of the agreement.

Approved the North Atlantic Pact which links 12 nations in a defensive alliance to maintain peace and stability in the Atlantic area.

S. J. Res. 36: Authorizing an appropriation of \$16,000,000 as a special contribution by the United States to the United Nations for relief of more than 500,000 refugees in Palestine, Syria, Lebanon, Transjordan, Egypt, and Iraq, who were in dire need of food, clothing,

shelter, and medical supplies. Twenty-one nations have announced their intention to contribute to the United Nations fund for these refugees, which will total \$32,000,000. The American contribution amounts to 50 percent of the total. (Public Law 25.)

S. 1209: Extends the Marshall plan until June 30, 1950 and authorizes funds totalling \$5,430,000,000 for the nations participating in this vast program of mutual economic cooperation. Crippling amendments were defeated and the final bill received overwhelming approval by both Houses of Congress. (Public Law 47.)

S. 1704: Strengthen and improve organization and administration of State Department. Provides for the reorganization of the State Department whereby the Department was authorized additional Assistant Secretaries and control of the Foreign Service was vested in the Secretary of State instead of the Director General of Foreign Service. (Public Law 73.)

H. R. 4392: Settlement of Swiss claims. Provides for payment to the Swiss Government for damage and/or war losses caused by the United States armed forces in violation of Swiss neutrality in World War II. (Public Law 136.)

H. R. 2785: Provides for continuance of United States contributions to the International Children's Emergency Fund through June 30, 1950. Out of this fund many thousands of children, who suffered from the devastating effects of World War II, were given health care, medical aid, and clothing. Although operations under the fund have thus far occurred principally in European countries and China, the fund's program also includes relief for mothers and children in the four zones of Germany, southeast Asia, Latin America, and north Africa. Thirty countries have made contributions to the Children's Fund. (Public Law 170.)

S. J. Res. 3: Provides that any future payments by Finland on the principal or interest of its debt of the First World War to the United States shall be used for educational and technical instruction. (Public Law 265.)

S. 1250: Continues and expands the work of the Institute of Inter-American Affairs to June 30, 1955. It enables the Institute to carry on its programs in public health, sanitation, agriculture, education, and related fields in cooperation with the American Republics. (Public Law 283.)

H. R. 1211: Extends for 3 years the President's authority to enter into trade agreements with other nations without restrictions. Restores our foreign trade policy to the program inaugurated by the late President Roosevelt and former Secretary of State Cordell Hull, under which new markets have been opened for American business in all parts of the world. (Public Law 307.)

H. R. 5895: Furnishes essential military assistance to enable the United States and other nations, dedicated to the purposes of the United Nations Charter, to create an effective system of individual and collective self-defense in support of those purposes. Provides for an arms program to give the free peoples of the world a reasonable amount of military strength to resist direct or indirect aggression and to maintain internal security. Appropriations not exceeding \$1,300,000,000 are authorized to finance this program. At least 50 percent of the armed cargoes must be shipped in American vessels at American rates. (Public Law 329.)

H. R. 4708: To amend the United Nations Participation Act. The bill strengthens United States representation at the United Nations and permits assignment of personnel of the armed services for noncombat duties with the UN. It authorizes deputy representative to United Nations and gives the representative and deputy representative the rank of Ambassador. (Public Law 341.)

S. 2319: As the bill passed the Senate, assists the Republic of Korea by enabling it to establish a sound economy and to maintain its democratic form of government. Authorizes the appropriation of not more than \$150,000,000 for the present fiscal year. Directs the RFC to advance sums for Korea not in excess of \$50,000,000 pending approval of the appropriations.

S. J. Res. 128: As passed by the Senate, this resolution will enable the President, at the November conference, to offer financial assistance to the Food and Agricultural Organization of the United Nations for the construction and furnishing of a permanent headquarters in the vicinity of Washington, D. C.

Since FAO is the last of the existing permanent specialized agencies to select a site, much interest has been displayed by other countries, including Denmark and Italy, in having their country selected as the permanent site for this organization.

It is believed that the United States, as a great agricultural Nation, would be materially benefited by having the permanent home of the FAO located in the Capital City area.

#### VIII. LABOR

H. R. 5856: Raises the minimum wage from 40 to 75 cents; would permit the Wage-Hour Administrator, with the employee's written permission, to sue for back-wage claims on behalf of employees, or to seek out-of-court settlements with their consent; employees of retail firms doing more than 50 percent of their business within a State would be exempt, as would newsboys, Western Union messengers, and taxicab operators; small newspapers with less than 4,000 circulation would be exempt; also certain logging companies with fewer than 12 workers would not be covered. New law becomes effective 90 days after its enactment.

H. R. 858: Overtime on overtime: Outlaws overtime on overtime claims covering all industry. The ban is both retroactive and prospective. (Public Law 177.)

#### IX. NATIONAL DEFENSE AND INTERNAL SECURITY

H. R. 5632: Brings all branches of the armed services under the unified directorship and control of the Secretary of Defense, but does not merge them. Provides for the effective strategic directorship of the armed forces and for their integration into an efficient team of land, naval, and air forces. (Public Law 216.)

H. R. 2216: Authorizes an Under Secretary of Defense (Stephen Early). (Public Law 36.)

H. R. 1741: Establishes joint long-range proving grounds for guided missiles. Authorizes the establishment by the armed services of a \$200,000,000 test center for guided missiles. (Public Law 60.)

H. R. 2546: Authorizes the establishment and development of a land based air-warning system (radar fence). (Public Law 30.)

H. R. 2663: Provides for the improvement of the administration and operation of Central Intelligence Agency. (Public Law 110.)

S. 1267: Authorizes construction of supersonic wind tunnel and engineering center.

S. 1505: Authorizes the construction of experimental submarines. (Public Law 213.)

H. R. 5007: Revamps the pay, allowances, and physical disability retirement provisions for members of the armed services, Public Health Service, National Guard, and the Coast and Geodetic Survey. (Public Law 351.)

S. 2382: Provides for a research laboratory for Quartermaster Corps.

S. 2372: Amends Atomic Energy Act of 1946 with respect to military liaison committee. (Public Law 347.)

H. R. 6303: Provides construction authorization for specific projects required immediately by the Department of Defense at locations in Alaska and Okinawa and to authorize the appropriation of funds to carry out



these projects. The total fiscal authorization in this bill, which is a temporary measure, is approximately \$96,000,000.

#### X. NATURAL RESOURCES

S. 855: Authorizes a 5-year program of public works for Alaska (Public Law 264).

H. R. 165: Authorizes American River Basin Development, California, Folsom Dam (Public Law 356).

S. 2105: To stimulate exploration for, and conservation of, strategic minerals has been passed by the Senate. Authorizes the establishment of a Mineral Conservation Board consisting of Secretaries of Treasury, Defense, Commerce, and Interior. Private enterprise would be encouraged to supply the industrial, military, and naval requirements of the United States.

#### XI. REORGANIZATION, GOVERNMENT EMPLOYEES, AND DEPARTMENTS

H. R. 91: Provides for research and development program in the Post Office Department (Public Law 231).

H. J. Res. 235: Extends authority of United States Maritime Commission to sell, charter, and operate vessels to June 30, 1950 (Public Law 147).

H. R. 3005: Increases travel allowance for civilian personnel. Authorizes an increase from \$6 to \$9 per diem (Public Law 92).

H. R. 2989: Grants a permanent charter to Virgin Islands Company (Public Law 149).

H. R. 4754: Creates a unified property management system (Public Law 152).

H. R. 2361: Provides for the reorganization of Government agencies (Public Law 109).

#### XI. REORGANIZATION, GOVERNMENT EMPLOYEES, AND DEPARTMENTS

H. R. 3856: Establishes a Commission on Renovation of the White House. (Public Law 40.)

S. 103: Provides salary increases for President, Vice President, and Speaker of the House. (Public Law 2.)

Reorganization plans 2-7 took effect at close of business August 19, 1949.

H. R. 5100: Intended to correct pay inequities of certain employees of the Federal Government and the District. (Public Law 160.)

H. R. 1689: Increases the rates of compensation for the heads and assistant heads of executive departments and independent agencies. (Public Law 359.)

H. R. 5931: Overhauls the job classification and compensation of employees under civil service.

H. R. 3191: Liberalizes compensation benefits for Government employees and dependents. (Public Law 357.)

H. R. 4495: Authorizes additional benefits for certain postal employees.

#### XII. RESEARCH AND EDUCATION

S. 246: As passed by the Senate, the bill provides an annual appropriation of \$300,000,000 for aid to the States in meeting the present crisis in education. The bill contains three fundamental principles which proved satisfactory to an overwhelming majority of the Senate. These principles are: (1) preservation of State and local control—administration of school systems is left completely in the hands of organizational units within the States; (2) the principle of equalization—the purpose of the bill is to provide, through Federal funds, vital assistance to those school systems which are in greatest need of such assistance. Allotments to States are variable from \$5 per child in the largest States to \$25 or more in the poorer States; (3) maintaining reasonable levels of State and local efforts—it is believed that Federal funds for the support of Federal education should not be used to replace State efforts to support public schools. Under the bill, States are not eligible to receive Federal benefits unless they are expending a mini-

mum percentage of the income for public, elementary, and secondary education.

S. 2317: As passed by the Senate, this bill authorizes an appropriation to assist the several States to inventory existing school facilities, to survey the need for the construction of additional facilities in relation to the distribution of school population, to develop State plans for school-construction programs, and to study the adequacy of State and local resources available to meet school requirements. This bill also provides Federal aid to the States in building schools in overburdened areas and, until funds are appropriated, the RFC is authorized to advance funds to carry out the program.

S. 247: As passed by the Senate, the bill authorizes the establishment of a National Science Foundation. Hearings conducted by the Congress revealed a shortage of skilled scientists. The imperative need for greatly increasing our activities in basic research was repeatedly brought to the attention of the Senate committee which considered this bill. The measure approved by the Senate is designed to meet the objections raised by the President in 1947 when he vetoed a National Science Foundation bill passed by the Eightieth Congress.

H. R. 3829: Continues for 1 year Federal aid to local school agencies for the operation and maintenance of school facilities for children residing on Federal reservations or other federally owned property, or living in districts overburdened financially by wartime school enrollments (Public Law 306).

#### XIII. TAXATION

H. J. Res. 276: Grants certain extensions of time for tax purposes (Public Law 137).

H. J. Res. 242: Extends for 2 years the existing privileges of free importation of gifts from members of the armed forces of the United States on duty abroad (Public Law 241).

H. R. 5086: Accords privileges of free importation to members of the armed forces of other nations, to grant certain extensions of time for tax purposes, and to facilitate tax administration (Public Law 271).

H. R. 5114: Simplifies means of paying taxes on malt liquors (Public Law 261).

H. R. 5268: Grants additional time for farmers to file income-tax returns.

H. R. 195: Intended to assist States in collecting sales and use taxes on cigarettes.

H. R. 3704: Revenue for District of Columbia; 2 percent sales tax (Public Law 76).

#### XIV. VETERANS

S. 2115: To authorize payments by the VA on purchase of automobiles or other conveyances by certain disabled veterans of World Wars I and II.

S. 266: Permits payment to veterans of retroactive benefits withheld during hospitalization. (Public Law 194.)

S. 811: This bill enables the widows who were held in enemy camps at the time of the deaths of their husbands to obtain payments which would otherwise be denied them. (Public Law 195.)

S. 672: Provides educational benefits to veterans who enlisted before October 6, 1945.

S. 2146: Grants additional allowances for veterans paralyzed from service-connected brain injuries. (Public Law 286.)

H. R. 5598: Raises from 75 percent to 100 percent the rates of payment for presumed service-connected disabilities. (Public Law 339.)

S. 2596: This bill, as passed by the Senate, clarifies the intent of Congress on the proper interpretation of the GI bill regarding veterans' educational training benefits. Specifically, it provides that new courses, or new branches of existing institutions, are to be considered newly established schools. It clarifies Congress' policy on avocational training; it provides for tuition training to be determined on the realistic basis of cur-

rent expenses; and it finally requires the equality of treatment between long-established night law schools and day law schools.

H. R. 6301: Providing parity in disability compensation for service-connected veterans of all wars.

Mr. WHERRY. Mr. President, does the Senator from Illinois feel that the survey should be printed in the body of the Record, rather than in the Appendix?

Mr. LUCAS. If the Senator from Nebraska is going to object—

Mr. WHERRY. No; I am not objecting.

Mr. LUCAS. I am not asking that the survey be printed as a public document. The other day the Senator did make such a request. I am presenting this matter for the information of the Senate. I think this is a factual statement of the accomplishments of the Senate at this session, and I think the statement should appear in the body of the Record. But if the Senator from Nebraska objects—

Mr. WHERRY. No; I do not object. I wish to cooperate.

Mr. LUCAS. The Senator has been cooperating for almost 10 months now.

#### COOPERATION BY SENATORS IN FIRST SESSION AND PROGRAM FOR THE SECOND SESSION OF THE EIGHTY-FIRST CONGRESS

Mr. LUCAS. Mr. President, I wish to make a brief statement before we adjourn.

As everyone knows, this has been a very long session. It has been a rather difficult and trying one, at times, as all of us know. I wish to take this opportunity to thank Members on both sides of the aisle for going along with the majority leader on many, many questions. Of course, on questions on which Senators who, because of their deep, conscientious convictions or because of their political philosophy, could not follow my leadership, I thoroughly understood and appreciated the reasons.

I hope all Senators will have a well-deserved vacation between now and January. We shall return here, of course, on January 3. As I recall, the oleomargarine bill is one of the first measures which we shall consider.

A number of persons throughout the country have the notion that when we return in January we shall have to go through the second half of the Eighty-first Congress session in the same way that we proceeded in the first session of the Eighty-first Congress, so far as concerns the introduction of bills, the holding of hearings, and so forth. I think it is only fair to state that when any new Congress convenes, almost a month is required before the Congress can get organized and started upon the passage of any major legislation or any controversial legislation.

At the beginning of the next session, which will be the second half of the Eighty-first Congress, we shall start immediately on measures now on the calendar on which hearings have been held and which have been reported. So we shall lose no time.

When we return, I hope I can continue to have the cooperation of members on both sides of the aisle, with a view to-

ward finishing the second half of the Eighty-first Congress as soon as possible. Next year will be election year, and a number of Members of the Senate will be up for reelection. I see the Senator from Nebraska [Mr. WHERRY] is smiling; of course he knows that he is safe. It does not make much difference to him for at least 4 years. [Laughter.]

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I wish to say to the majority leader that I thank him for his observations. All of us have cooperated; and I wish to say that we shall cooperate with the Senator from Illinois in regard to an early adjournment next year, because we know he will be interested in getting back to Illinois. All of us will cooperate, as we have done during the present session.

Mr. LUCAS. I thank the Senator from Nebraska; and probably I shall remind him of that statement about the first of February or the middle of March, when we look forward to an early adjournment.

Mr. President, I think the record of the accomplishments of this Congress will be acceptable to the majority of our people, as I know it is highly pleasing to the President of the United States. When historians compare the record of these accomplishments in respect to progressive, worth-while, and far-reaching legislation dealing with humanitarian measures and legislation affecting our national defense, it will compare favorably with any record made by any Congress preceding this one.

Again I wish to thank all Senators for agreeing with me when they could do so. Of course, I regretted when they saw matters somewhat differently from the way the Senator from Illinois has. But I think all of us must realize that the job of majority leader is a rather difficult one.

Senators come here from different sections of the country and have their independent views. The Senate is a great cross section of American life, and Senators do not always see things the way the administration sees them. Consequently, I wish to thank those Senators who have been persuaded now and then to go along with the majority leader upon some close and controversial questions. I hope I can get a more firm support in the next session than I have had during this session, from both my Democratic and my Republican friends. If so, I shall sleep a little better at night.

#### SINE DIE ADJOURNMENT RESOLUTION

The VICE PRESIDENT laid before the Senate a concurrent resolution (H. Con. Res. 148), which was read as follows:

*Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Wednesday, October 19, 1949, and that when they adjourn on said day, they stand adjourned sine die.*

The VICE PRESIDENT. The concurrent resolution is not debatable. The question is on agreeing to the concurrent resolution. [Putting the question.]

The concurrent resolution was agreed to.

Mr. WHERRY subsequently said: Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. I do not wish to irritate the Chair; but in regard to the sine die adjournment concurrent resolution, did the Chair ask for the "noes," or was the vote which was taken just an affirmative vote?

The VICE PRESIDENT. The Chair does not recall whether he put the "noes" or not.

Mr. WHERRY. I ask merely for the sake of the RECORD. It is quite all right with me.

The VICE PRESIDENT. The Chair thinks he did.

Mr. WHERRY. I certainly am in favor of the resolution.

The VICE PRESIDENT. Does the Senator from Nebraska raise any question about it?

Mr. WHERRY. No. I would merely like to have the RECORD show we really agreed to adjourn today, sine die. That is all.

The VICE PRESIDENT. If there is any doubt about the matter, the Chair will put the question again. As many as favor the sine die adjournment concurrent resolution will say "aye." Contrary, "no." The resolution is unanimously adopted.

#### AUTHORIZATION FOR SIGNING ENROLLED BILLS AND JOINT RESOLUTIONS

The VICE PRESIDENT laid before the Senate a concurrent resolution (H. Con. Res. 149), which was read and agreed to, as follows:

*Resolved by the House of Representatives (the Senate concurring), That notwithstanding the adjournment of the first session of the Eighty-first Congress, the Speaker of the House of Representatives and the President of the Senate be, and they are hereby authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.*

#### COMMUNICATION FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate a letter received from the President of the United States, which was read, as follows:

OCTOBER 19, 1949.

HON. ALBEN W. BARKLEY,  
Vice President of the United States,  
Washington, D. C.

DEAR MR. VICE PRESIDENT: As the first session of the Eighty-first Congress draws to a close, I want to express to the Members of the Senate my appreciation for the work they have done. The Congress has been faced with many momentous problems concerning both our foreign relations and our domestic affairs. To meet these problems, the Congress has remained in Washington laboring diligently through almost 10 months of the year, including one of the hottest summers in Washington history. I am confident that the American people will agree that the results have been well worth while.

I wish also to thank the Members of the Senate for the courtesies they have shown to me and for the spirit which has made it possible for the legislative and executive branches to work together effectively.

I extend to each of you my good wishes as you return to your homes. I know from my own experience that your work does not end when a session of Congress closes. A most important part of the duties of a Member of Congress is the exchanging of views with his constituents and the studying of their problems at first hand. From that association, I hope that all of you will return next year refreshed and strengthened for the tasks that still lie ahead.

Very sincerely yours,

HARRY S. TRUMAN.

#### SOCIAL SECURITY—ANNOUNCEMENT OF FINANCE COMMITTEE HEARINGS IN JANUARY

Mr. GEORGE. Mr. President, I wish to make an announcement with reference to the social-security bill (H. R. 6000). The bill passed the House on October 5. It was messaged to the Senate on October 6. By virtue of its size, it actually reached the Finance Committee on October 7. The bill contains more than 200 pages and covers the whole Social Security Act and related matters. The Senate, of course, could not undertake a hearing upon the bill, from October 7 until today, the 19th of October. We were expecting that we would adjourn almost any day during that period.

The additional staff has been organized, to begin the study of the social-security bill, as it passed the House, early in January. I merely wish to announce that the Senate Finance Committee will commence hearings early in January upon the social-security bill. There are a large number of interested parties who have indicated they desire to appear and be heard, and we will of course hear them as rapidly as possible during the month, and will report the bill to the Senate as soon as we can.

#### STATEMENT BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair would like to ask the indulgence of the Senate for a moment, before final adjournment, to express his deep appreciation of the courtesies which have been extended to him by all Members of the Senate during this long and arduous session. It has been one of the longest and in the judgment of the Chair, one of the hardest-working sessions of the Congress of the United States since the occupant of the chair has had any connection with the Congress, either in the House or in the Senate. Of course, the Chair does not now comment upon the result of its work, but regardless of that, it has been a hard-working session. That applies to the Members on both sides of the Chamber, and to both Houses of the Congress.

The Chair wishes for every one of the Senators a very happy and pleasant vacation, and expresses the hope that Senators will come back, when we reconvene in January, refreshed in mind and body. The Chair feels sure there will be much refreshment, here and there, for all.

#### NOTIFICATION TO THE PRESIDENT

Mr. LUCAS. I offer a resolution and ask unanimous consent for its present consideration.



The VICE PRESIDENT. The clerk will read the resolution.

The Chief Clerk read the resolution (S. Res. 191), as follows:

*Resolved*, That a committee of two Senators be appointed by the President of the Senate to join a similar committee appointed by the House to wait upon the President of the United States and inform him that the two Houses have completed the business of the session and are ready to adjourn unless the President has some other communication to make to them.

The VICE PRESIDENT. Without objection, the resolution is agreed to.

The Chair appoints the Senator from Illinois [Mr. LUCAS] and the Senator from Nebraska [Mr. WHERRY] as the committee on the part of the Senate.

#### ACTIVITIES OF COMMITTEE ON FOREIGN RELATIONS—LETTER FROM THE SECRETARY OF STATE

Mr. CONNALLY. Mr. President, this session of the Congress has been an unusually busy one with regard to foreign relations. The Committee on Foreign Relations has worked very diligently and has handled a great many matters successfully. I have here a letter from the Secretary of State respecting the activities of the committee, together with a statement of things accomplished by the committee, in connection with nominations, bills, and treaties, which I ask unanimous consent to have printed in the RECORD, at this point, in my remarks.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,  
Washington, D. C., October 19, 1949.  
The Honorable TOM CONNALLY,  
United States Senate,  
Washington, D. C.

MY DEAR SENATOR CONNALLY: With the close of this session of Congress I want to congratulate you and the Senate Foreign Relations Committee for the magnificent accomplishments of this session. I dare say there have been few, if any, Congresses which have so successfully carried such a heavy foreign-relations legislative load. I believe this success is attributable to your able leadership, the effective cooperation of Senator VANDENBERG, and the objective consideration of foreign-relations legislation given by every member of the committee without thought of partisan advantage.

I think on the whole what pleases me most is the close and cordial relationship that has existed between the committee and the Department of State. This relationship has encouraged me to come to the committee for advice on executive problems as well as with legislative business. It is my fervent hope that we can maintain this close working relationship between the legislative and executive branches of the Government as we deal with the tremendous foreign-relations problems that we will find in future years.

It has been a pleasure to the Department to work with your able staff under the leadership of Mr. Wilcox. They have worked closely, conscientiously, and objectively with our people.

I hope you and the members of your committee will have a good chance to rest for the next few months.

Sincerely yours,

DEAN G. ACHESON,  
Secretary.

#### FOREIGN RELATIONS COMMITTEE ACTION, EIGHTY-FIRST CONGRESS, FIRST SESSION, OCTOBER 18, 1949

##### A. CONVENTIONS, TREATIES, AGREEMENTS

1. The North Atlantic Treaty. Approved by Senate July 21, 1949.
2. The International Wheat Agreement. Approved by Senate June 13, 1949.
3. Consular Convention with Costa Rica. Approved by Senate August 17, 1949.
4. International Convention for the Safety of Life at Sea. Approved by Senate April 20, 1949.
5. Convention of the World Meteorological Organization. Approved by Senate April 20, 1949.
6. Convention on the International Recognition of Rights in Aircraft. Approved by Senate August 17, 1949.
7. International Convention for the North Atlantic Fisheries. Approved by Senate August 17, 1949.
8. Convention between the United States and Mexico for the establishment of an International Commission for the Scientific Investigation of Tuna. Approved by Senate August 17, 1949.
9. Convention between the United States and Costa Rica for the establishment of an Inter-American Tropical Tuna Commission. Approved by Senate August 17, 1949.
10. Protocol Prolonging the International Agreement on the Regulation of the Production and Marketing of Sugar. Reported August 13, 1949. Approved August 18, 1949.

##### B. BILLS AND RESOLUTIONS

(NOTE.—Those measures marked by an asterisk have received final approval by the Congress as of October 17, 1949.)

- \*1. Amending the Economic Cooperation Act of 1948. (Public Law 47.)
- \*2. The Mutual Defense Assistance Act of 1949. (Public Law 329.)
3. Providing for aid to the Republic of Korea. Passed Senate October 12, 1949.
- \*4. Providing for the payment to the Swiss Government for damage inflicted on Swiss territory during World War II by United States armed forces. (Public Law 136.)
- \*5. Providing that future payments by Finland on its World War debt to the United States shall be used to provide educational and technical instruction in the United States for citizens of Finland. (Public Law 265.)
6. Releasing certain funds in the United States Treasury for training of Iranian students in the United States. Reported October 11, 1949.
- \*7. Providing for a special contribution by the United States for the relief of Palestine refugees. (Public Law 25.)
- \*8. Amending the Institute of Inter-American Affairs Act. (Public Law 283.)
- \*9. To strengthen and improve the organization and administration of the Department of State. (Public Law 73.)
- \*10. To provide for further contributions to the International Children's Fund. (Public Law 170.)
- \*11. To amend the United Nations Participation Act. (Public Law 341.)
12. To provide for the settlement of certain claims of the United States on its own behalf and on behalf of American nationals against foreign governments. Reported July 28, 1949.
13. To settle the claims arising out of the requisitioning of Finnish vessels during World War II by the United States. Passed Senate October 17, 1949.
- \*14. Providing for a location survey for a railroad connecting the existing railroad system between the United States and Alaska. Passed Senate October 17, 1949.
- \*15. To authorize the carrying out of the provisions of the treaty between the United States and Mexico regarding the joint devel-

opment of hydroelectric power at Falcon Dam on the Rio Grande. (Public Law 312.)

16. Authorizing appropriations for the construction, operation, and maintenance of the western land boundary fence project. Passed Senate August 9, 1949.

\*17. To extend the time for commencing and completing the construction of a bridge across the Rio Grande, near Del Rio, Tex. (Public Law 198.)

\*18. To extend the time for commencing construction of a toll bridge across the Rio Grande near Rio Grande City, Tex. (Public Law 200.)

\*19. Favoring the protest in the United Nations against the persecution of certain clergymen in Hungary, Yugoslavia, and Bulgaria. Agreed to by Senate April 11, 1949.

\*20. Authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Haiti, 1949. (Public Law 251.)

\*21. Amending the joint resolution creating the Niagara Falls Bridge Commission. (Public Law 244.)

\*22. Extending an invitation to the International Olympic Committee to hold the 1956 Olympic Games at Detroit, Mich. (Public Law 22.)

\*23. Extending an invitation to the International Olympic Committee to hold the 1956 Winter Olympic Games at Lake Placid, N. Y. Agreed to by Senate April 20, 1949.

24. To authorize the loan of funds to the UN Food and Agriculture Organization for the construction and furnishing of permanent headquarters. Reported October 7, 1949. Passed Senate October 18, 1949.

25. Authorizing the return to Mexico of the flags, standards, colors, and emblems that were captured by the United States in the Mexican War. Reported October 18, 1949. Passed October 19, 1949.

##### C. NOMINATIONS

In addition to treaties and legislative measures the committee has also taken action on a large number of nominations. These include the following categories:

1. Officials in the Department of State, 14 (these include the Secretary of State, the Under Secretary of State, the 8 Assistant Secretaries of State, the counselor and legal adviser, the director of the military assistance program, and the United States High Commissioner to Germany).

2. Ambassadors and ministers, 43 (these include 40 ambassadors, 2 ministers, and a special representative to Israel. In the list are our Ambassadors to France, Belgium, and Russia, and many other important countries, our ambassador at large, and ECA representatives abroad).

3. United Nations and related organizations, 40 (these include members of the United States delegation to the General Assembly, our representatives on various commissions of the United Nations, the United States delegation to UNESCO, and the deputy representatives of the United States to the United Nations).

4. Other appointments in the Diplomatic and Foreign Service, 370 (these include 8 career ministers, consular appointments, and promotions of Foreign Service officers of various classes).

##### THE COLLECT

Mr. TOBEY. Mr. President, I shall take one moment only. There is no more representative body of women in the country than the National Federation of Business and Professional Women's Clubs. Last night it was my privilege to address this group, in Laconia, N. H., at a meeting of the Laconia Club, and representatives from Concord, Tilton, Franklin, and Manchester.

I was impressed by the collect read in unison at the beginning of the meeting. It impressed me because of its lofty sentiments and its spiritual undertones, and I should like to read it to my colleagues in the United States Senate as we are about to adjourn and return to our homes:

Keep us, O God, from pettiness; let us be large in thought, in word, in deed. Let us be done with fault-finding and leave off self-seeking. May we put away all pretense and meet each other face to face—without self-pity and without prejudice. May we never be hasty in judgment and always generous. Let us take time for all things; make us to grow calm, serene, gentle. Teach us to put into action our better impulses, straightforward and unafraid.

Grant that we may realize it is the little things that create differences, that in the big things of life we are at one.

And may we strive to touch and to know the great, common human heart of us all, and O Lord God, let us forget not to be kind. (Mary Stewart.)

So, Mr. President, may we hold these noble sentiments of aspiration in our hearts as we sojourn in our homes, and may we bring the spirit of this prayer into our deliberations and debates when we meet again in January next.

#### AMERICAN NATIONAL (DOMESTIC) AND INTERNATIONAL (FOREIGN) POLICY

Mr. MALONE. Mr. President, we have continually accepted, over a period of years, the ready-made European policies and programs handed to us, all under the guise of promoting peace in the world, and of preventing the recipient nations from adopting the Communist doctrine.

It is now clear that the price of world peace, as far as the foreign nations are concerned, is the leveling or our high standard of living with such lower-wage and slave-labor nations, and that the continual and increasing demands for such financial assistance simply amounts to a not so subtle blackmail by such nations, and that the end could very well be economic chaos in the United States of America, so that we could not only not extend further help to foreign nations, but could no longer help ourselves.

We are spending ourselves into the kind of a government that we would not vote for, through following blindly foreign policies and programs that we do not understand and that do not fit into our economy.

#### TIME FOR REFLECTION

In the closing hours of this Congress it is time for some reflection. It is time to review the actions of this Congress since World War II, in establishing national and international policies, and to estimate the impact of such actions upon our own economy and their effect upon the nations of the world.

#### LINCOLN'S PHILOSOPHY

It may be well to review and to remember what Lincoln said upon such an occasion more than 80 years ago when he said:

If destruction be our lot we must ourselves be its author and finisher. As a Nation of freemen we must live through all time or die by suicide.

It is the definite conclusion of the junior Senator from Nevada, following the experience of two world wars, with nearly 30 years in the engineering field, and now 3 years of service in the United States Senate, that if this Nation ever loses the freedom enjoyed by its citizens, or if we ever lose our economic or military independence, it will be an inside job.

Abraham Lincoln further said at that time:

The answer is simple. Let every American; every lover of liberty, every well-wisher of his posterity, swear by the blood of the revolution never to violate in the least particular the laws of the country, and never to tolerate their violation by others. Let reverence for the laws be breathed by every American mother to the lisping babe that prattles on her lap; let it be taught in the schools, in seminaries and in colleges; let it be written in primers, in spelling books, and in almanacs; let it be preached from the pulpits, proclaimed in the legislative halls and enforced in the courts of justice. And, in short, let it become the political religion of the Nation; and let the old and the young, the rich and the poor, the grave and the gay of all sexes and tongues and colors and conditions, sacrifice unceasingly upon its altars.

I submit that the present situation calls for a more practical application of the evident truth of Lincoln's pronouncement during that troubled time.

#### AMERICAN NATIONAL AND INTERNATIONAL POLICIES

It is high time that we considered American national and international policies, with the ultimate economic and military safety of this Nation uppermost in our minds, while assisting foreign nations to the best of our ability without unduly weakening the United States of America.

I suggest for consideration the separation of our national and international policies upon the following basis:

#### AN AMERICAN NATIONAL AND INTERNATIONAL POLICY

##### First, National or domestic policy:

(a) Adoption of the flexible import-fee principle by the Congress of the United States.

(b) Adoption of the parity principle for the production of raw materials.

Second, International or foreign policy as a condition of further assistance:

(a) Free convertibility of foreign currencies in terms of the dollar.

(b) A United States of Europe, including Germany, without trade restrictions of any kind.

(c) Equal access to the trade of the nations of the world, subject only to the action of such individual nations

#### NATIONAL OR DOMESTIC POLICY

The national or domestic policy should include the flexible import-fee principle as a floor under wages, to protect the wage-standard of living of the workingmen and the investments of America from the lower wage and slave labor of the world while we are assisting the foreign nations to raise their own standards.

#### FLEXIBLE IMPORT-FEE PRINCIPLE

My flexible import-fee bill, already before the Senate, would turn the long ex-

perienced Tariff Commission into a foreign-trade authority, since it more nearly represents the work to be done, and would give the authority the same latitude to adjust tariffs and import fees on the basis of fair and reasonable competition, as the Congress has long since given the Interstate Commerce Commission in the field of fixing freight rates for the carriers on the basis of a reasonable return on the investment.

The adjustment of such tariffs and import fees is entirely removed from congressional logrolling or State Department horse trading, since any specific rate fixed by the authority, under the proposed legislation, is only subject to disapproval by both Houses of Congress.

Through the flexible import-fee principle, a market is immediately established on a definite basis for the products of all foreign nations, and as they raised their general living standards the flexible import fee would be correspondingly reduced. The products, then, of the foreign nations would have the same access to American markets as our own production on the same level of costs. They cannot, in good faith, ask for more.

#### NO CONSIDERATION OF HIGH OR LOW TARIFF

Under this principle there would be no consideration of a high or low tariff or import fee, but such import fee would at all times correctly represent that differential between the declared customs value or offered-for-sale price of the foreign article and the cost of a like American product, mostly due to the difference in the wage standard of living.

#### NECESSARY TO ESTABLISH A BASIS FOR TRADE

The need for such a principle is evident when it is realized that suddenly it is necessary to establish a basis of trade between the 58 United Nations members upon a sound, economic, and friendly level without sudden dislocations of the wage standard of living of any of the participants, which range from our own high standard through the next in line of Canada, England, and France down to the slave labor of Asia and Africa.

#### PARITY PRICE FOR RAW MATERIALS

The parity principle has already been adopted for agricultural products which include approximately 90 percent of the raw-material production, and if it is to be continued it should be extended to forestry and mineral production.

#### INTERNATIONAL OR FOREIGN POLICY

The international or foreign policy should include, as a condition of further assistance, free convertibility of foreign currencies in terms of the dollar which would automatically end the generations of manipulation of the price of their respective currencies by the foreign nations of the world for trade advantage, and end all complaints of dollar trouble or dollar shortage, since such foreign nations could then use their own currencies for purchases in the United States.

#### A UNITED STATES OF EUROPE—INCLUDING GERMANY

A United States of Europe, including Germany, without trade restrictions of



any kind, should be a condition of further assistance. Europe could then become strong as a nation and be no longer subject to the rivalries, distrust, and suspicions which have plagued the separate European nations for more than a century. We could deal with them as one nation and not continue to strengthen their envy and distrust of each other.

Germany would no longer be the problem that it now is. We are now torn between the two policies of allowing her to become strong industrially and to pay her own way, with the danger that she may join Russia and through that union seek to dominate the world, or to turn her into a harmless agrarian state with our endless financial support and with the always-present danger that a frustrated Germany would ultimately join Communist Russia, anyway, since Russia is offering her industrial independence.

#### EQUAL ACCESS TO THE MARKETS OF THE WORLD

The United States should have equal access to the markets of the nations of the world, subject only to the actions of such individual nations, as a condition of further assistance.

Every nation should have the same right of independent adoption of a foreign policy as the United States of America, to establish tariffs or import fees to encourage and develop their own economy, but a third nation should not be encouraged through our financial assistance to come in, or stay in, through the guise of protection or any other subterfuge, and continue the long-established "empire preferential rate" system on exports and imports favoring the mother country, thereby making it inconvenient or impossible for this Nation to trade with such dependent nations except through such mother country.

#### O'MAHONEY-MALONE HAYDEN-MALONE MINERAL BILL, SENATE 2105, NATIONAL RESOURCES ECONOMIC COMMITTEE REPORT

Mr. MALONE. Mr. President, the National Resources Economic Committee, a special subcommittee of the Interior and Insular Affairs Committee, during 1947 and 1948, of which I was chairman, was created to investigate the factors affecting the production, development, and utilization of the national resources of the United States, and in that connection it completed and published volume No. 1 of a report entitled "Mineral Position of the United States."

The factors affecting such production include import fees, tariffs, trade agreements, subsidies, quotas, empire preferential rates, bulk buying by governments, and the manipulation of currency systems of foreign nations for trade advantages, including operation of the pound sterling, the franc, and the guilder areas, and other marketing practices.

#### MINERAL PRODUCTION—NATIONAL DEFENSE—EMPLOYMENT AND TAXABLE PROPERTY

Mr. President, referring to volume 1 of "Mineral Position of the United States" and to subsequent evidence, the mineral position of this country is not healthy. Many of the strategic and critical mines have already closed or are closing due to foreign competition.

This is a dangerous situation.

Mr. President, I ask unanimous consent to include in the RECORD at this point in my remarks a list of strategic and critical minerals found at page 41 of the hearings before a subcommittee of the Committee on Public Lands, held May 15, 16, and 20, 1947.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The current list of strategic and critical materials was published by the Army-Navy Munitions Board in January 1945. In presenting the list, the Board submits the following definition: "Strategic and critical materials are those materials required for essential uses in a war emergency, the procurement of which in adequate quantities, quality, and time is sufficiently uncertain for any reason to require prior provision for the supply thereof."

The list is divided into three groups on the following basis:

A. Those strategic and critical materials for which stock piling is deemed the only satisfactory means of insuring an adequate supply for a future emergency.

B. Additional strategic and critical materials, the stock piling of which is practicable. The Army and Navy Munitions Board recommends their acquisition only to the extent they may be made available for transfer from Government agencies because adequacy of supply can be insured either by stimulation of existing North American production or by partial or complete use of available substitutes.

C. Those strategic and critical materials which are not now recommended for permanent stock piling because in each case difficulties of storage are sufficient to outweigh the advantages to be gained by this means of insuring adequate future supply.

The metals and minerals included in these three groups are as follows:

A  
Antimony; asbestos; bauxite; beryl; bismuth; cadmium; celestite; chromite; cobalt; columbite; copper; corundum; diamonds; industrial—graphite: Amorphous lump, flake; iodine; kyanite, Indian; lead—manganese ore; Battery grade, metallurgical grade; mercury; mica: Muscovite block, and flim, good, stained, and better; monazite; nickel; platinum group metals: Iridium; platinum; quartz crystals; rutile; sapphire and ruby; talc, steatite, block or lava; tantalite; tin; tungsten; vanadium; zinc; zirconium ores: Baddeleyite; zircon.

B  
Aluminum; barite; chalk, English; chromite, chemical grade; cryolite, natural; emery; fluorspar: Acid grade, metallurgical grade; graphite, crystalline fines; magnesium—mica: Muscovite block, stained, or lower; phlogopite block; molybdenum; platinum group metals: Osmium; palladium; rhodium; ruthenium; selenium; talc, steatite, ground.

C  
Asbestos, Canadian chrysotile; iron ore; petroleum and petroleum products; radium.

Mr. MALONE. Mr. President, for example, when the events at Pearl Harbor precipitated us into World War II, late in 1941, we were producing about 45 percent of our domestic consumption of tungsten which was 8½ percent of the world production.

Pearl Harbor cut us off from China and Burma where 67 percent of the world supply was being produced. We could have lost the war for lack of that indispensable metal if our own mines had not been in production with the trained personnel and with the know-how to increase production.

Within a few months we were almost self-sufficient in the production of this indispensable metal and continued so until the sea lanes were opened up again.

The same principle applies to mercury, zinc, lead, copper, manganese, chromite, and many other strategic and critical minerals and materials.

With war and threats of war in many areas throughout the world, and with our own State Department and President warning the Congress and the public that war may be imminent, for national security reasons alone to say nothing about the taxable property and employment, and with a national defense program of vast proportions confronting us, this Nation cannot afford to face the immediate future with most of our metal mines closed.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the report by the National Resources and Economics Subcommittee of the Committee on Insular Affairs created in March 1946.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

#### INTRODUCTION

The National Resources Economic Subcommittee of the Committee on Interior and Insular Affairs was created in March 1947 to investigate all those factors affecting the production, development, and utilization of the national resources of the United States, to report the findings of its investigations, and to make appropriate recommendations.

Extended hearings were held in Washington during the year 1947, at which time leading representatives of the various Federal Government agencies dealing with national resources, including such agencies as the Department of the Interior, Department of Agriculture, Department of State, United States Tariff Commission, Department of Justice, Department of Commerce, the War Department and the Army-Navy Munitions Board were invited to testify.

Their testimony covered minerals, metals, forestry, and fishery resources, and basic agricultural products. A total of 8 volumes of typewritten testimony was taken and the testimony received from the Department of the Interior through Secretary J. A. Krug, Dr. R. R. Sayers, Dr. W. E. Wrather, and others, including a 350-page exhibit. The committee published volume No. 1 of its findings entitled "The Mineral Position of the United States," which was published late in 1947.

This report summarizes the hearings which were held in February and March 1948 in Denver, Colo., and in Washington, D. C. Hearings were held in Denver on February 3, 4, 5, and 7, 1948 and in Washington on February 18 and March 2. Since the 1947 hearings were held to permit representatives of Government agencies to present their views on our national resources problems, the hearings in Denver and Washington this year, were held especially in order to permit private producers of the country's basic mineral resources, as well as individual State representatives dealing with mineral problems to present testimony.

There were 35 witnesses who testified in Denver and 6 additional witnesses who were heard in Washington on February 18 and March 2. These witnesses represented the producers of all the country's leading metallic minerals, except iron, and covered every State in the Union where such mining is an important industry. In addition to these industry witnesses, each of the 11 Western States was invited to send a representative to

Denver to summarize the present position of the mining industry in his State and to recommend action which should be taken to solve existing problems. The list of the witnesses who appeared at Denver and those who testified in Washington on February 26 and March 2 appears as appendix A to this report.

A study completed shortly after the close of World War II indicates that 13,000 mines have been closed down in the United States since 1930. These mines involved 776,000 stockholders and \$377,000,000 of capital.

Since the end of World War II, hundreds of additional mines have shut down in various parts of the country, particularly those operated by marginal producers of lead, copper, zinc, and other important strategic metals and minerals.

Of 51 lead mines in operation in southern Wisconsin in 1946, only 4 are in operation today. In Colorado, the number of lead and zinc mines in operation has fallen from 313 in 1939 to 70 at the present time. More than 52 lead and zinc mines shut down within 6 months after the termination of the price premium plan on July 1, 1947. In Montana, the number of lode mines producing gold, silver, copper, lead, and zinc has declined from 687 in 1940 to 250 in 1947, while the number of placer mines during the same interval declined from 285 to 44.

Similar declines in recent years in the number of mines operating could be cited for many other States. In Utah, for example, the number of mines producing gold, silver, copper, lead, zinc, and manganese declined from 191 in 1940 to 112 in 1947, while placer mines and manganese mines during the same period declined from 19 to 1. In Arizona the number of active mines declined from approximately 950 before World War II to only 276 on October 1, 1947.

In Nevada, 297 mines closed down within 2 months after President Truman vetoed the price premium bill in July of 1947. This number represents more than 90 percent of all mines in the State of Nevada. Additional mines have been forced to close down since that time.

In California, of 2,000 gold mines in operation before 1940, only 350 are in operation today, including dredges. Of 32 lead, copper, and zinc mines operating in 1946, over 80 percent have closed down since the termination of the price premium plan. Mercury mines in operation in California have fallen from 102 mines in 1940 to 20 in early 1947, and 1 or 2 in early 1948. Tungsten mines in operation have dropped from 38 in 1944 to 12 in 1947 and practically all are closed now, while manganese and chromite show even more drastic declines. Manganese mines operating have dwindled from 65 in 1944 to 3 in 1947, while chromite mines have fallen from 101 in 1944 to 2 mines in operation in 1947.

#### FACTORS RESPONSIBLE FOR PRESENT UNSATISFACTORY STATE OF MINING IN THE UNITED STATES

Those who testified at the hearings were in general agreement that a combination of factors has been responsible for the present unsatisfactory status of the mining industry. Some of the adverse factors at work are the product of the free play of economic forces during recent years, while others are the direct result of deliberate Government policies adopted and enforced since 1933.

Among the natural economic forces which have helped produce present conditions in the industry are the prolonged depression in the 1930's, the abnormal demands and conditions of production during the period of World War II, and the high levels of demand coupled with rapidly rising operating costs during the current postwar period.

The following factors have exerted an adverse effect upon the mining industry and are a direct result of Government policies: Restrictive practices of the Securities and Exchange Commission; tax policies of the

Federal and local governments; restriction by the Federal Government of mineral entries on forest reserves; drastic reductions in protective tariff duties through the progressive lowering of tariffs under the Reciprocal Trade Agreements Act of 1934 and its subsequent renewals; price ceilings; and special excise taxes levied on transportation during the war and continued since that time.

#### EVENTS LEADING UP TO PRESENT SITUATION

During the decade of the 1930's, the American mining industry was subjected to numerous depressing influences such as low prices, little demand for its products, and unfavorable market conditions, which prevented the industry in the absence of a sound mineral policy on the part of the Government, from developing the mineral resources of the country. Spokesmen of the industry urged upon the Government, at that time, the desirability of stock piling minerals for use during a possible war emergency and pointed out that ample labor was available, supplies plentiful, and the time ideal for encouragement of the production of minerals for future use. These pleas, however, went unheeded.

As a result of the years of depression and the lack of stock-piling support from the Federal Government, the mining industry found itself at the beginning of World War II with reserves well below desired levels. The imperative requirement during the war period to maximize output, coupled with Government policies designed to get the greatest output in the shortest possible time, regardless of exploration and development of additional reserves, found many of the mineral producers at the end of the war with their known reserves approaching exhaustion, and their richest ore bodies completely used up. Wartime practices, coupled with shortages of labor and equipment, did not permit the normal practice of mining both rich and poor ores, but resulted in skimming the cream, often called "gutting the mine," meaning development work was neglected.

In view of the widely held belief among geologists and other mining experts that tremendous quantities of metals and minerals remained to be found in the United States, in addition to those already discovered and developed, there was general agreement among the industry representatives at the hearings that the mining industry should devote a major part of its efforts immediately to the exploration and development of additional mineral reserves, and that the Government should give positive assistance to such a program. A comprehensive program of exploration and development should be inaugurated not only to meet domestic requirements, but possible emergency needs as well, and should attempt to demonstrate the extent of America's self-sufficiency in minerals.

The likelihood that America may have to meet future emergency needs, as well as normal domestic requirements, for metals was stressed. Evidence introduced emphasized the gathering war clouds on the horizon and the rapid increase in exploration of minerals by the Soviet Union.

In this connection, it was pointed out that Russia in 1947 doubled its 1940 appropriations for geological prospecting. Over 4,500 university-trained men, armed with 140 airplanes, geo-radar apparatus, seismometric instruments, and other modern tools took the field in search of new mineral resources. In contrast, the United States Government today has only about 650 geologists at work, and not all of these are engaged in activities in the field.

#### GENERAL CONCLUSIONS OF THE MINING INDUSTRY

The following conclusions were generally agreed upon by representatives who submitted testimony at the hearings. In some instances, the conclusions represent the

unanimous opinion of all those who appeared while, in every instance, the conclusions represent the view of an overwhelming majority of those who testified.

#### Conclusion 1

"The policies and practices of the Securities and Exchange Commission as carried out under the Securities Act of 1933, and the Securities Exchange Act of 1934, have retarded the investment of venture capital in new mining enterprises, and are partly responsible for the failure of minerals reserve to keep up with the increasing demand for metals."

Witnesses representing mining interests throughout the West testified that the Securities and Exchange Commission has imposed rules and regulations, in regard to prospect and selling literature, which make it extremely difficult to market new mining securities and have resulted in venture capital seeking outlets in foreign mining enterprises or in other fields of investment in the United States.

They also declared that officials of the Securities and Exchange Commission were guilty of star-chamber procedures, and have conducted their investigations in such a fashion as to intimidate and bully prospective investors in new mining enterprises. Hence, it is more difficult for those in the security business, and in the business of promoting new mining ventures, to raise the necessary capital for prospecting, exploration, and development.

It was also charged that the Securities and Exchange Commission shows a tendency to substitute its judgment in place of that of private mining corporations in regard to the economic feasibility of a given mining venture for which the right of selling securities is requested. It was strongly urged that the Securities and Exchange Commission limit itself to its legitimate function of preventing fraud and to stop trying to determine the economic feasibility of the enterprises reviewed.

Those who presented testimony further declared that their complaints had been brought to the attention of the Securities and Exchange Commission but had gone unheeded. They strongly recommended, therefore, that present legislation be amended in such a manner as to put an end to the defects and abuses which now exist and submitted a specific list of the changes desired in the various sections and paragraphs of the 1933 and 1934 acts.

#### Conclusion 2

"The Trade Agreements Act, which expires June 12, 1948, should not be renewed."

The Trade Agreements Act was first passed on June 12, 1934, and was extended for 3 years each in 1937 and 1940, and 2 years in 1943, and again for 3 years in 1945. The original 1934 act provides for negotiation of trade agreements with foreign countries and gives the President power to lower or raise tariffs on articles on the dutiable list up to a maximum of 50 percent of the duties prevailing June 12, 1934. No article can be transferred from the dutiable list to the free list or vice versa, and the most-favored-nation principle must be preserved.

Before the conclusion of any trade agreement, interested parties must be given the opportunity to present their views to the President, or any agency which he may designate.

The Committee for Reciprocity Information was created to serve as such an agency and acts under the jurisdiction and control of the State Department.

The original 1934 act gave the President power to vary the tariffs by 50 percent and the renewals in 1937 and 1940, as well as 1943, merely continued these powers. In the act of July 5, 1945, however, the President was enabled to reduce or raise the tariffs 50 percent below or above the levels prevailing on January 1, 1945, in any further trade agreements.



It was the consensus of opinion of those who testified that the Trade Agreements Act has not been carried out in a fashion designed to bring about reciprocal concessions, but that it has been used to bring about a progressive lowering of protective tariffs on American minerals to levels so low that, in many instances, they afford little or no protection and approximate a condition of free trade. Witnesses pointed out that, although the act enables the President to increase tariffs by 50 percent as well as to lower them, in not a single instance has any tariff ever been raised. The actual administration of the Trade Agreements Act has amounted to a one-way street toward free trade and the principle of reciprocity or Yankee horse trading has been practically ignored.

Witnesses also charged that the intent of the act has been violated in that little or no consideration has been given to testimony and evidence submitted by affected industries to show that a further lowering of tariffs would be harmful to them. Although the Committee for Reciprocity Information, in accordance with the terms of the act, has invited representatives of affected industries to appear and present testimony against reductions in tariffs, in no instance was there any evidence that the committee gave any weight to such testimony.

#### Conclusion 3

"Legislation should be passed to provide for a system of flexible tariffs and import fees administered in such a way that the amount of tariff levied will be equal to the difference between the cost of production of foreign producers and similar costs among United States producers. The fixing of tariffs should be taken away from the President and given to an independent administrative Commission which will report to Congress directly and which will determine tariffs in individual cases upon the basis of comprehensive fact-finding studies covering production costs here and abroad."

Widespread agreement prevailed among both representatives of private mining enterprises and of the 11 western State governments that a system of flexible tariffs to equalize costs, administered by a Commission reporting directly to Congress, was necessary for the creation and maintenance of a healthy mining industry in the United States. Several witnesses emphasized, however, that a system of flexible tariffs, alone, might not be sufficient to guarantee prosperous conditions throughout the domestic mining industry, but that other forms of Government assistance, including a system of incentive and conservation payments to mineral producers, should supplement a flexible tariff system.

Extensive testimony was introduced comparing wage rates paid in various foreign countries with those paid by minerals producers in the United States. For several industries in various foreign countries, it was shown that wages amount to only \$1 to \$3 per day compared with \$10 per day in the United States. This pronounced differential in wages prevails in many countries in southern, central, and eastern Europe, including Russia, as well as countries in Africa, Asia, South America and other parts of the world. Even in the most advanced industrial countries of western Europe, wages per day, at current rates of exchange, tend to approximate one-half or less of the American level. In England, for example, at the present time, the average wage of a factory worker amounts to \$24.70 per week compared with an average of \$51.02 per week in the United States.

This great difference in the level of wages paid handicaps domestic American producers in comparison with foreign producers of the same products, even though it is generally recognized that the amount of the handicap is not commensurate with the difference in wages. Consideration must also be given to

the difference in the productivity or efficiency of labor. Comparative costs of production and ability to compete depend to an important extent upon the productive efficiency of labor, rather than the amount of monetary wages paid.

If American labor produces twice as much per day as foreign labor, the American producers can pay twice the daily wages that their foreign competitors do and still compete on even terms. Even after allowances have been made, however, for the superior productive efficiency of American labor, witnesses declared that the differential in wages abroad and here was so great that it more than counterbalanced the greater productive efficiency of American labor and threatened to destroy the American minerals industry.

They also called attention to the fact that American mining machinery and equipment were being shipped to foreign countries so that the productive efficiency of foreign labor could be expected to increase rapidly in the future and to approach the American level.

Another argument advanced in favor of the adoption of a flexible tariff system, administered by a nonpolitical commission of experts, was that such a system would make possible protection against unfair competition on the part of foreign producers created by foreign governments devaluing their currencies or juggling their exchange rates. If a government should devalue its currency by 50 percent, thereby lowering the cost of production of its products in terms of American dollars by 50 percent, the Tariff Commission of the United States, under a flexible tariff, could quickly raise tariffs sufficiently to prevent a flood of foreign imports.

France was pointed out as a recent example of a European country which has resorted to devaluation of its currency in order to give its producers a comparative advantage over foreign producers. In the present unsettled state of international affairs, other foreign countries may reasonably be expected to juggle their currencies in a similar fashion in order to favor their own producers at the expense of American producers.

#### ANTIDUMPING CONTROLS

Certain witnesses pointed out, furthermore, that a flexible tariff system standing by itself alone might not be able to cope adequately with the problem of "dumping." In countries where industries are government-owned, or monopolistically controlled by private cartels, a large share of the produce may be "dumped" in foreign markets at prices way below cost of production. In such cases, a flexible tariff system which only balances differences in wage costs would not be successful in preventing a flood of imports.

It was suggested that the "dumping" problem might be solved either by placing a quantitative limitation on imports or by expanding the flexible tariff system so that tariffs would be set, not just to equal differences in wage costs, but to equalize the difference in the domestic price of a mineral and the delivered foreign price, regardless of the foreign cost of production.

#### Conclusion 4

"The Federal Government should build up stock piles of strategic and critical minerals adequate for any national emergency which may occur and, in order to build up required stock piles as quickly as possible, should procure minerals from both foreign and domestic sources. The procurement policy, however, should be such as to promote the exploration, development, and production of domestic minerals. Foreign purchases should only be made when adequate quantities of material are not available domestically. Safeguards should be established so that minerals stock piled by the Government will not be 'dumped' at any future date on the market, thus causing depressed prices and injury to the domestic mining industry."

It was generally agreed that only the Government itself could determine the necessary quantities of metals which are needed for adequate stock piles. There were many witnesses, furthermore, who felt that, because of the present shortage of various metals, the Government stock pile should be built up primarily from additional production generated by the inauguration of a system of incentive and conservation payments to domestic marginal producers.

Strong condemnation was leveled at the present Government policy of securing as many metals as possible from abroad for stock-piling, in order to conserve domestic minerals. It was repeatedly pointed out that the way to increase the quantity of domestic minerals is not to "conserve" them by buying from abroad but to increase the production of domestic metals and minerals by adopting policies which encourage exploration and development, and which make American mining profitable. "Ore begets ore."

Attempts to conserve domestic minerals by not buying them or by reducing the demand for them through buying abroad tends to dry up domestic sources of supply, while increased demand for domestic ores tends to beget additional ores and develops our mineral resources.

#### Conclusion 5

"Federal and State tax laws are unduly burdensome and are seriously retarding the investment of venture capital in new mining enterprises. Revision of existing tax laws, as well as more liberal administrative interpretation of existing statutes, should be made so as to encourage the investment of risk capital."

Existing tax laws were designed to fit the needs of manufacturing and marketing corporations and are not well suited to an industry with the peculiar economic characteristics of mining. In the mining industry, fluctuations in prices, production, and income are more extreme than in other industries and, hence, the factor of risk is much greater.

A mining enterprise, for example, may show a profit for 1 year and losses for several years running. If the Government takes a huge slice of the profits during the one good year in the form of taxation, while making no allowance for the losses over a series of consecutive bad years, it amounts to collecting taxes out of capital rather than out of income. This is true because over the series of years, the profits of one or two good years are frequently below the losses of the bad years. Under such conditions, there is no incentive whatever for venture or speculative capital to enter the American mining industry.

It was pointed out that the risk of failure could be reduced somewhat by restricting exploration and prospecting to a few large companies who could engage in a dozen or more exploration projects simultaneously. Out of a dozen, one might be expected to turn out well and recoup the losses on all the others. But, history demonstrates that most new ore bodies have been discovered, not by big well-established mines, but by small enterprises. It is a well-known axiom that almost all big mines were, at one time, small mines. Hence, the Government should adopt tax policies which encourage small enterprises to enter the field of exploration and development.

It was also charged that present Government tax policies, in many instances, result in double taxation which is highly discriminatory and unjust to those persons who are taxed twice—once through paying a corporate income tax and, a second time, through paying a personal income tax on the same earnings. Relief from such double taxation was urged.

Emphasis was also placed on the burden-someness of the special excise tax placed on

railway freight by the Federal Government early during World War II. It was urged that this excise tax be repealed immediately.

#### Conclusion 6

"The Federal Government should encourage the exploration, development, and conservation of strategic and critical metals and minerals in the United States by adoption of a system of incentive conservation and exploration payments to private producers of such ores."

Spokesmen for the entire mining industry presented in brief outline form the principles and pattern of conservation and exploration payments to the mining industry which they would like to see adopted by the Government as soon as possible.

The pattern was worked out in such a way as to satisfy the requirements of the marginal producers of lead, copper, and zinc in the Tri-States and Wisconsin-Illinois districts, as well as those of the western producers of newly mined strategic or critical metals.

In the case of marginal production of lead, copper, and zinc in the midwestern part of the United States, many ore bodies are already discovered and the mines are in a state ready to operate. The purpose of the conservation payments is to make it profitable to mine known ore bodies and encourage discovery of new ones and to prevent the complete shutting down of the mines with the resultant loss of known ores in the mines. If the mines are forced to shut down, they will flood, timbers will cave and other destruction will take place, and it may prove impossible ever to recover the ores therein. If, in the future, an attempt should be made to recover such ores because of a national emergency, the cost of pumping out the mines and putting them in shape for production would not only be prohibitive but would probably take too long to be of any use during the war crisis.

In the case of production of strategic and critical metals other than lead, copper, and zinc the payments are designed to provide adequate incentives to stimulate a sufficient degree of exploration and development of new ore bodies to expand our reserves to the maximum extent necessary for national security and national prosperity.

Under certain conditions carefully worked out by the industry, on a graduated scale, a mine may receive both conservation and exploration payments but the total amount which can be so received is limited to a certain sum in any one year. As worked out during the hearings, this sum was \$150,000 and payments in the case of lead, copper, and zinc ranged from 7 cents per pound of metal on the first 250 tons down to 1.5 cents per pound on tonnage in excess of 1,500 tons.

#### ECONOMIC JUSTIFICATION FOR SUCH PAYMENTS

Testimony was introduced to show the high cost to the Government and the economic losses to the American economy of importing foreign ores as a substitute for the purchase of domestic ores. It was pointed out that during the 1930's, unemployment insurance cost \$5 per man shift or \$80 for each ton of zinc not produced because of unemployment. Hence, every ton of zinc imported from abroad which kept American mining labor unemployed, cost America not only the current market price but an additional \$80 per ton which had to be paid to American idle labor in the form of unemployment insurance.

It was emphasized further that, even in times of prosperity, incentive payments for the mining of new ores will create much more new mineral wealth than the amount of such incentive payments, so that the cost of the incentive payments to the Government can be recouped from additional tax revenue and still add substantially to the national income.

In this connection, it was stated that even in 1939 when zinc sold for only 5 cents per pound, the production of 1 ton of zinc in the West provided full employment, directly and indirectly, for 196 people and resulted in the production of \$294 of new wealth.

Since taxes in the United States amount to between 30 percent and 40 percent of the total national income, a system of Government incentive payments for the mining of strategic metals would merely result in the mining industry getting back part of the taxes already being paid to the Government. Emphasis was on production during the war and development of new reserves was sacrificed to the war effort.

#### TYPE OF INCENTIVE AND CONSERVATION PAYMENTS SYSTEM DESIRED

The industry was unanimous in recommending the establishment of a system of conservation and development payments which would encourage private rather than public enterprise in the mining and development of minerals and metals and which would be as free from Government bureaucratic control and as nearly automatic in operation as possible.

It was agreed that the defects of the price premium payments plan inaugurated during the war and discontinued on June 30, 1947 should be carefully avoided and that all producers should be treated exactly alike. The primary purpose of the newly proposed incentive system of payments for mining producers is to work out a system which will maximize incentives for the small operator and make it possible for him to build a prospect into a mine.

In addition, the pattern of incentive payments makes it attractive for the larger producers to engage in exploration and development work by providing Government incentive payments if these are matched by the private companies out of their own funds. The requirement of matching funds is designed to insure protection against graft and waste of public funds and to see that the money is spent by men in the industry with the necessary know-how.

#### OTHER PROPOSALS PRESENTED AT THE HEARINGS

Several constructive proposals were put forward by various witnesses for aiding in the solution of the present problems confronting the American mining industry, but no single one of these proposals was recommended by a sufficiently large number of witnesses to make it possible to say that it represented the general opinion in the industry.

It was proposed by one witness that consideration be given to underground stock piling of mercury and certain other strategic metals such as an alternative to building up stock piles above the surface. Government payments would be made to mercury producers to encourage them to search for new reserves and block them out and payments would be proportioned to such newly discovered reserves. Then, the Government would pay a stand-by charge for keeping the mines open and the reserves in a condition ready to be mined in case of any national emergency. It was argued that this kind of a plan for underground stock piling would result in expanding the supply of available reserves and be more economical than surface stock piling of such strategic metals.

It was also suggested that serious consideration be given to the advisability of preventing the possible flooding of the American market by "dumping" on the part of foreign governments or cartels by the imposition of quantitative import quotas. It was even suggested that a combination of import quotas and parity price payments similar to those used in agriculture might be effective in controlling imports through "dumping." Whenever the prices of strategic metals sank to the parity level, all imports of such metals

from abroad would automatically be shut off.

Two or three witnesses suggested the adoption of a system of parity price payments for strategic and critical metals and minerals similar to the parity price system now in use for basic agricultural commodities. No discussion of this proposal took place at the hearings.

Finally, although the industry agreed that the exploration and development of new minerals reserves could best be accomplished by private enterprise, they gave full recognition to the valuable assistance which has been furnished to the industry by the Bureau of Mines and the Geological Survey of the Department of the Interior. They felt that the Bureau and the Survey should continue their present type of activities in this field, and should do all in their power to bring about the introduction of improved techniques for recovering, economically, metals from lower grades of ore.

#### FINDINGS AND RECOMMENDATIONS

The findings and recommendations of the National Resources Economic Subcommittee are based upon the testimony and exhibits introduced at the hearings in Denver and at the subsequent hearings in Washington, together with supplementary letters, exhibits, and documents submitted to the committee by those unable to appear at the hearings. First, the findings will be briefly stated, followed by specific recommendations for constructive action based upon the findings.

##### FINDING NO. 1

The Securities Act of 1933 and the Securities Exchange Act of 1934, with the rules and regulations which have been made by the Securities and Exchange Commission under the act, have been administered in such a fashion as to seriously retard the investment of private venture capital in mining enterprises in the United States. This has resulted in driving venture capital to foreign countries and has prevented the exploration and development of new domestic minerals reserves to take the place of those rapidly used up during and since World War II.

##### Recommendation No. 1

It is recommended that the acts of 1933 and 1934 be specifically amended so as to encourage and promote the investment of venture capital in new mining enterprises in the United States. To accomplish this, the following changes in existing legislation and in the rules and policies of the Commission are advocated:

(1) A new section should be added to section 3 of the Securities Act of 1933 placing the securities of issuers engaged in the exploration and development of mineral resources in a special category. Under this category, only limited information would be required from such issues. There would be no necessity to go through the difficulties of registration where the Commission undertakes to apply the material-fact formula to evaluate the mining property, consider its feasibility, and delay the public offering by stop orders and deficiency citations as now take place under the existing law. All other provisions of the original Securities Act should be retained, including civil liability, criminal responsibility, and the fraud sections. The new paragraph to be added in section 3 would take nothing away from the present power of the Commission.

(2) Subsection (b) of section 19 and subsection (a) of section 20 of the Securities Act of 1933 should be amended to read as follows:

"Sec. 2. (b) When in possession of material written evidence and facts which, in the opinion of the Commission, clearly justify an investigation for the enforcement of this title, and upon its written order, any member of the Commission, or any officer or



officers designated by it, is empowered to administer oaths and affirmations, subpoena witnesses, take evidence, and require the production of any books, papers, or other documents which the Commission deems relevant or material to the inquiry. Such hearings and investigations as may be required shall be held in such place or places as the Commission may designate, but no witness shall be required by subpoena to appear at a place outside the Federal judicial district in which he may reside without his consent.

"Sec. 3. Subsection (a) of section 20 of the Securities Act of 1933, as amended, is amended to read as follows: (a) Except as otherwise provided in section 8 of this title, the Commission shall investigate only such violations of the provisions of this title or of any rule or regulation prescribed under authority thereof, as shall be based upon a written complaint of a person outside the staff of the Commission setting forth material facts and circumstances showing that a substantial violation has occurred or is about to occur, and the Commission may thereupon, if in its opinion the public interest will thereby be served, authorize an investigation by written order, and a copy of such order and written complaint shall be made available promptly to the person subject to the investigation."

These proposed two amendments will limit the Commission in its power to conduct roving, inquisitorial, compulsory investigations without following rules of legal procedure or of evidence and subjecting the private affairs of an individual person or company to a searching investigation, with the objective of looking for something as a basis for a civil or criminal action against such citizen.

It is a well-established policy of the Commission under its subpoena power to order books, records, and other papers to be brought before it for examination, where such private records are inspected and the accompanying witnesses are subjected to incriminating, misleading, and suggestive questions. This process is conducted behind closed doors where the parties are without benefit of counsel, and is one of the most tyrannical methods ever developed in American administrative procedure. It is clearly an abuse of the power granted by Congress, and must be corrected.

(3) Section 21 of the Securities Act of 1933 should be amended by the addition of the following new sentence, to read as follows:

"Any person who is under investigation and who shall testify in such hearings or in any preliminary investigation shall be permitted to obtain at cost a copy of his testimony, and to be represented by counsel."

Under existing practices, the testimony of the witness is not available to him and it may be used as a basis for a civil or criminal action in the courts. This practice was positively condemned by the Supreme Court of the United States but it is, nevertheless, being followed because the courts have held that such is the will of Congress, otherwise Congress would change the law.

(4) Section 3 of the Securities Exchange Act of 1934, as amended, should be further amended by the addition of the following new subsection:

"(d) No provision of this title shall apply to or be deemed to include any market place or facilities for the purchase and sale of securities of an issuer engaged exclusively in the exploitation, development, or operations of mines, or in the exploitation, development, and production of oil, gas, or other natural mineral resources."

This amendment provides a trading post for the sale of mining and oil securities wherever brokers care to auction them off in secondary distribution between buyers and sellers, using the same plan for the sale of such securities as adopted for the sale of

first grade industrial issues. At the present time, all open bidding in over-the-counter mining stocks is prohibited. They may not be auctioned off to the highest bidder on the same basis as registered securities are sold on registered exchanges.

The present law has taken away the trading privileges of about 90 percent of the mining securities being bought and sold by the public in the Western States. It unfortunately deprives the public of a basis for arriving at a true value for over-the-counter mining stocks in secondary distribution.

The purpose of the new amendment is to reestablish the right of the brokers to trade in second-grade, unlisted, over-the-counter stocks of all categories upon the basis of the bid and asked price arrived at in open competition among buyers and sellers. The public remains amply protected under section 15 of the Exchange Act, which governs the conduct of over-the-counter brokers and dealers in such stocks.

(5) The rules and regulations of the Securities and Exchange Commission which have been imposed under the existing law should be liberalized in respect to requirements relating to prospectuses and selling literature. The following changes should be made:

(a) Eliminate the requirement that the selling commission and other emoluments received by underwriters, promoters, and issuers be printed on the first page of the prospectus and, instead, allow these items to be printed on any page selected by the issuer.

(b) Liberalize "tombstone" advertisements and allow the use of "tombstone" letters so that a prospectus does not have to be sent in the first letter, but, on the other hand, may be subject to request by the prospective investors.

(6) The Securities and Exchange Commission should introduce a regulation requiring that a man experienced in the selling of primary mining-venture securities be added to its mining division in order to help formulate final decisions covering new mining ventures and the sale of mining securities.

#### FINDING NO. 2

The Trade Agreements Act passed on June 12, 1934, has resulted in the subsequent progressive lowering of protective tariffs on metals and minerals and has not only prevented the development of domestic mining in the United States, but has brought about a relative decline in the mining of certain strategic domestic metals.

#### Recommendation No. 2

It is recommended that the Trade Agreements Act be allowed to expire on June 12, 1948, and that revised tariff legislation, to be described later, be substituted therefor.

The Trade Agreements Act of 1934, which has been successively renewed in recent years, has resulted in such a progressive lowering of tariff duties on American minerals, that the present duties afford little or no protection to the American mining industry and approximate conditions of free trade.

In the case of manganese ore, for example, the Tariff Act of 1930 provided for a duty of 1 cent per pound of contained manganese. Under the Trade Agreements Act this was cut 50 percent to one-half cent per pound on January 1, 1936. This duty was reduced another 50 percent to one-fourth cent as a result of the trade agreements at Geneva, to take effect January 1, 1948.

It will be noted that these cuts from 1 cent to ¼ cent per pound amount to a reduction of 75 percent in the tariff duties, but in reality the reduction in protection is much more than 75 percent when consideration is taken of the change in the price of manganese during the period under review. In 1933, the average price of manganese (per unit of 22.4 pounds) was about 20 cents, while during the first quarter of 1948, the price averaged about 70 cents.

Hence, in 1933, a 1-cent-per-pound duty was equal to 110 percent of the market price per pound of manganese, while a ¼-cent-per-pound duty in 1948 represents only 8 percent of the market price per pound of manganese. The actual decline, therefore, in tariff protection has been from 110 percent to only 8 percent ad valorem. In other words, a rise in the price of any metal which is protected by a specific tariff duty, automatically reduces the tariff protection by a corresponding amount.

The first reduction in tariff duties on manganese under the Trade Agreements Act took place on January 1, 1936 when duties were cut 50 percent. Some indication of the effects on domestic production of manganese of the 50-percent cut in tariff duties may be seen by comparing domestic production and imports of manganese in 1935, the year before the cut took place, with the same figures for 1936, the first full year after the cut in protective tariffs took effect.

In 1935, domestic production constituted 4.34 percent of all manganese consumed in the United States. In 1936, this percentage dropped sharply to 2.28 percent. Looked at in another way, the result is even more striking—imports of manganese into the United States skyrocketed from 383,502 long tons in 1935 to 813,362 long tons in 1936, an increase of 112 percent. During the same interval, domestic production increased from only 16,679 long tons to 18,557 long tons, an increase of only 11 percent.

#### FINDING NO. 3

The tariff system of the United States under the Trade Agreement Acts has been administered in such a way that tariffs have been changed in one direction only, namely, downward. There has been no two-way flexibility in tariff duties to take care of changing prices and costs between foreign producers and domestic producers in the United States. Furthermore, the administration of the present tariff system has been largely controlled and determined by the Department of State, which has let its decisions be governed primarily by international political considerations, rather than the prosperity and economic welfare of domestic producers of mineral, agricultural, and other basic raw materials.

The present tariff legislation is defective in that it is incapable of providing adequate protection to American producers paying high levels of wages in competition with foreign producers paying wages varying from ½ to only ⅓ of the American level. The low wage levels prevailing abroad, combined with devalued currencies and Government "dumping," make it possible for foreign producers to undersell domestic producers in the American market and threatens to drive them out of business unless new legislation is quickly passed creating conditions which equalize competition here and abroad.

#### Recommendation No. 3

It is recommended that upon expiration of the trade agreements amendment on June 12, 1948, a Foreign Trade Authority be established and delegated responsibility to administer a flexible tariff system under which import duties would be adjusted upward or downward as need arises. The basing of import duties on the difference in production costs here and abroad is no longer feasible, both because foreign costs can seldom be obtained and because with state trading and socialization of industry growing abroad, foreign production costs are meaningless even if they could be secured. The comparison should be between the duty paid price of imported articles and the price (including a reasonable profit) of like domestic articles. The object would be to specify rates which would put the foreign and the domestic producers on a basis of "fair and reasonable competition."

The Authority should not be allowed to continue unneeded import duties and should

be prevented from protecting inefficient or wasteful domestic producers.

It should be provided that the Foreign Trade Authority would set rates which promoted fair and reasonable competition between domestic and foreign producers and that the decision of the Authority on this point should be final except that it should be subject to congressional veto. The objective would be not to shut off all foreign imports but to create and preserve a healthy degree of competition without damage to domestic producers nor without undue dislocation of trade which results from promoting uneconomic and necessarily temporary increases in either imports or exports under the present system where import duties are set by international bargaining.

#### FINDING NO. 4

Government stock piles of strategic and critical metals, minerals, and other materials have not been built up as yet to the levels determined necessary by our military authorities for the national defense and security of the United States in case of war. Present stock piles of most of the strategic and critical materials required are only a fraction of the minimum objectives set.

The policy of the Government apparently has been to build up stock piles as much as possible from foreign sources of supply rather than from domestic sources. This policy is making the country increasingly dependent upon foreign countries for those strategic materials necessary for national security and could well lead to national suicide in case of another world war.

#### Recommendation No. 4

The Government should build up national stock piles of strategic and critical metals and materials to the minimum objectives set as rapidly as can be achieved. The necessary purchases should be made from both foreign and domestic sources, with increasing emphasis on purchases from domestic producers, and a price and procurement policy which will lead to the rapid development and expansion of domestic production of strategic metals and minerals should be promptly adopted.

Premium prices should be paid by procurement authorities for the purchase of domestic strategic minerals for stock-piling purposes, to expand domestic production to the level required for national security and a reasonable degree of economic self-sufficiency.

#### FINDING NO. 5

The American mining industry is in a critical condition resulting from a combination of factors, some of which are a product of the free play of economic forces while others are the result of Government policies. Thousands of mines have closed down since 1930 and additional hundreds have been forced to go out of business since the expiration of the price premium plan on June 30, 1947.

Positive financial aid by the Government is immediately necessary to restore the industry to a flourishing and healthy condition, and to stimulate the exploration, development, mining, and production of strategic and critical metals necessary to meet the imperative industrial and military needs of the United States.

#### Recommendation No. 5

It is recommended that the Federal Government adopt a system of incentive payments to producers of strategic and critical metals and minerals for the purpose of conserving existing supplies and to stimulate development and exploration operations for the discovery of new reserves and bringing to market additional metals and minerals.

The system of incentive payments adopted should be consistent with the following principles:

(a) All producers should be treated on a uniform basis.

(b) Incentive payments should be based on a certain amount per ton of ore or per pound of metal produced with the amounts paid becoming less as additional tonnage is produced and an absolute maximum placed on the amount of financial assistance which can be paid to any one producer.

(c) Decentralizing of administration by mining regions should be carried out to the maximum degree possible, with extensive delegation of responsibility to regional officials in order that men familiar with local conditions and sympathetic to local problems may make binding policy-level decisions.

(d) The maximum payments to be paid per unit of metal produced should be specified in the legislation, such maximum to be raised only when it is deemed necessary to the national security or national economy by that Cabinet officer whose agency is concerned with the administration of the act.

(e) In order to achieve both economy and administrative efficiency, those operators producing less than 300 tons of recoverable metal a year should receive maximum incentive payments per unit of metal without consideration or analysis of cost factors. Administration of the price premium payments plan during World War II demonstrated that three-fourths of the entire administrative load lies in analysis of small mine operations producing under 300 tons of metal annually. Studies also show that small mining operations are dwindling and monopolistic trends should be checked if the national interest is to be served.

The above recommendations cover two types of incentive payments: (1) Payments to marginal producers of lead, copper, and zinc and other metals whose mines are already in operation but who cannot profitably salvage the remaining ore in their mines at present selling prices for metals without the assistance of a premium; and (2) payments to producers for exploration and development of these and other strategic and critical metals and minerals to compensate for the extreme risks involved and to make such operations sufficiently profitable to encourage the desired expansion in exploration and development work. Limits on incentive exploration payments necessary to achieve the required expansion in exploration activities should be fixed by Congress or left to the discretion of the Administrator of the system with reasonable limits being placed by Congress.

One of the major advantages of a system of incentive payments based on the principles just described will be the assistance it will give to mass mining. This type of mining in the long run is considered the most economical and efficient method of ore extraction. It consists of mining both low and high grade ores simultaneously rather than skimming the cream from a given mine and leaving the inferior ores.

The desirability of incentive payments for stimulating new sources of supply and for conservation of metals and minerals in existing ore bodies is especially clear when it is borne in mind that the greatest source of new ore in this country is the peripheral exploration around and below existing producing deposits as well as in newly discovered areas. Incentive payments, therefore, should be made for both type of exploration; that is to say, for exploring for new ore bodies and for exploring for additional ores within existing operating mines. It should be emphasized that peripheral exploration can best be pursued by a large and varied number of private operators and that exploration incentives are thus inseparably linked to conservation payments if the largest possible number of mines is to be maintained in operation.

Mr. MALONE. Mr. President, to keep the domestic strategic and critical mining industry alive and in condition to function properly, in both peace and war, until such adjustments can be made in the national policy in the protection of the workingmen and investments of America in competition with the lower-wage standard of living and slave-labor nations, the junior Senator from Nevada, in company with the senior Senator from Wyoming [Mr. O'MAHONEY], the senior Senator from Arizona [Mr. HAYDEN], and the junior Senator from Arizona [Mr. McFARLAND] introduced a bill (S. 2105) to stimulate the development and conservation of such strategic and critical minerals.

The junior Senator from Nevada has also offered a "flexible import fee" principle that would adequately protect the floor under wages and the investments in this important industry, and it is now pending in the Senate Finance Committee.

Mr. President, at this time I ask unanimous consent to have placed in the RECORD at this point a copy of the bill S. 2105, as submitted.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

#### S. 2105

An act to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

*Be it enacted, etc.*, That this act may be cited as the "National Minerals Act of 1949."

SEC. 2. (a) It is the policy of the Congress that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial, military, and naval needs of the United States, and that every effort be made to encourage the development and maintenance of sources of these metals and minerals within the United States in order to decrease and prevent, wherever possible, a dangerous and costly dependence by the United States upon foreign nations for supplies of such materials. To this end it is the further policy of the Congress that every effort be made to maintain a sound and active mining industry within the United States; to expand exploration for those ores and other mineral substances which are essential to the common defense or the industrial needs of the United States; and to prevent the discontinuance of mine operations under such circumstances as to make it probable that production would not or could not be resumed when needed for the national economy or security.

(b) In carrying out these policies small mining enterprises shall be encouraged to apply for aid under this act, and for this purpose the Secretary of the Interior shall provide small mining enterprises with full information concerning this act, and shall make special provision for expeditious handling of applications from small mining enterprises.

SEC. 3. A Minerals Conservation Board, consisting of the Secretary of the Interior, the Secretary of Defense, the Secretary of Commerce, and the Secretary of the Treasury, is hereby established. The Secretary of the Interior shall be the executive chairman of the Board. The members of the Board may delegate their powers, functions, and duties, including those relating to appeals, to suitable officers of their respective agencies.



SEC. 4. To carry out the policy of this act, the Board shall by regulation determine—

(a) the amount of appropriated money to be allocated to the aid of exploration, on the one hand, and to the aid of conservation, on the other hand;

(b) the amount of appropriated money to be allocated to the aid of exploration for any metal or mineral or group of metals or minerals, as specified by the Board;

(c) the amount of appropriated money to be allocated to the aid of conservation of any metal or mineral or group of metals or minerals, as specified by the Board;

(d) the maximum price or the minimum price, or both, which may be paid for the purchase of any metal or mineral for conservation: *Provided*, That adequate allowance shall be made for depletion and depreciation in computing costs of operation or maintenance;

(e) the maximum amount or the minimum amount, or both, which may be paid on account of participation in the costs of maintenance for conservation with respect to any metal or mineral;

(f) the maximum amount or the minimum amount, or both, which may be paid to any producer or class of producers on account of exploration for any metal or mineral or group of metals or minerals, and the ratio which the Government's contribution for exploration shall bear to the contribution of any producer or class of producers for exploration;

(g) the particular metals or minerals or ores thereof and specifications therefor that shall be eligible for aid for conservation;

(h) the particular metals or minerals that shall be eligible for aid for exploration; and

(i) the time limits or dates within which contracts for aid for conservation shall terminate.

SEC. 5. (a) The Board shall promulgate such rules and regulations as may be necessary to carry out its functions and duties under this act, and to provide fair and equitable treatment for all applicants for aid.

(b) The Secretary, subject to the rules and regulations of the Board, may prescribe rules and regulations for carrying out the provisions of this act and which must be complied with by applicants for contracts under the provisions of this act.

(c) The Secretary may delegate any of his functions under this act.

(d) All rules and regulations issued under the authority contained in this section shall be published in the Federal Register.

SEC. 6. (a) Any producer may file with the Secretary an application for financial aid in carrying out a specified project for exploration or financial aid to conserve a deposit of ores or minerals. An application to conserve may be either for aid by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit. The application and the project for aid disclosed by the application must conform to the express policy and provisions of this act and with the rules and regulations of the Board and of the Secretary: *Provided, however*, That simple contracts covering exploration projects shall be awarded upon application to small base metal mines and such contracts shall provide for the payment by the United States of one-half of the total reasonable costs of all tunnels, shafts, winzes, and raises in such a mine if the application or examination discloses that there is a reasonable promise of developing unknown or undeveloped sources of metals or minerals. All contracts covering exploration projects shall contain provisions for repayment to the United States of sums paid by the United States pursuant thereto, liability for such repayment to be limited to payment of a reasonable portion of profits accruing from production resulting from such exploration.

(b) The Secretary shall cause qualified mining engineers, geologists, and any other necessary technicians to make examination of and to report on each application, and to certify it to the Secretary either for acceptance, as presented or subject to specified modifications, or for rejection. In the case of a project for exploration, the examining experts shall certify whether the project offers reasonable promise of discovering unknown or undeveloped sources of metals or minerals. In the case of a project for aid to conserve a deposit of ores or minerals, either by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit, the examining experts, considering economic and practical factors, shall certify whether the project offers reasonable promise of maintaining in stand-by condition or in production, as the case may be, a property the production from which would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances as to make it probable that for economic or technical reasons such production would not or could not be resumed when needed for the national economy or security.

(c) The Secretary shall either accept and approve the application, subject to any modification therein which he may require, or he shall reject it: *Provided*, That if the Secretary's action on the application conflicts with the recommendation and certification of the examining experts, he shall refer the application to the Board; and the Board shall either confirm and approve the action of the Secretary, or shall reverse it, or shall direct the Secretary to reconsider it. Confirmation or reversal of the Secretary's action by the Board shall be final, and direction to reconsider shall place the application in the same status it was in before action upon it by the Secretary. If the Secretary accepts the application, either in its original or modified form, the terms of the application and acceptance shall be merged in a formal, written contract. Any applicant who is dissatisfied with the decision of the Secretary upon his application, may at any time within 30 days after receipt of notice of the decision, unless further time is granted by the Board, appeal to the Board, and the Board, as expeditiously as possible, shall review the entire matter, make its findings thereon, and notify the applicant of its decision, which shall be final.

(d) All metals or minerals purchased under the provisions of this section, or such equivalent quantities thereof as may be permitted by the contract with the producer, shall be delivered by the producer to and shall be received by the Administrator of General Services at such places and times as may be provided in the contract. The Administrator shall from time to time, and in any event before selling them in the open market, notify the Munitions Board of the inventory of metals or minerals held by him under the provisions of this act and shall continue to hold all metals or minerals received by him under this act until at least 60 days after he has given the Munitions Board notice that they are so held. The Munitions Board may, as long as any such metals or minerals are held by the Administrator, (1) direct the Administrator to transfer any of them to the national security stock pile in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act, as amended (53 Stat. 811, 60 Stat. 596), or (2) within 60 days after such notice from the Administrator direct him to hold any such metals or minerals listed in the notice until 60 days after the next succeeding appropriation for purchases for the stock pile has become available. Unless notified by the Munitions Board to either transfer any of such metals or minerals or to con-

tinue to hold them as provided in this subsection, the Administrator shall sell them in the open market if and when open-market prices will return to the Government at least the approximate average price paid by the Government for the metals or minerals, and only in such quantities as will not materially depress the market. No metal or mineral shall be transferred into the national security stock pile under the provisions of this act unless the material has been found to be strategic and critical as provided in the Strategic and Critical Materials Stock Piling Act, and meets established specifications as to quality and degree of refinement or processing, and unless such transfer is consistent with the current stock-piling procurement program of the Munitions Board. All moneys received by the Administrator of General Services from such sales in the open market shall be for deposit in miscellaneous receipts of the Treasury, and any transfer of metals or minerals to the national security stock pile shall be covered by a transfer of funds from appropriations available for purchases for the stock pile to miscellaneous receipts of the Treasury in amounts approximating what the cost of the metals or minerals would have been if purchased in the open market at the time of transfer.

(e) All contracts entered into under the provisions of this section (1) shall contain an express provision that they are subject to the availability of appropriated money; and (2) may be entered into without regard to sections 3648 and 3709 of the Revised Statutes, as amended, or other provisions of law prescribing the manner of making contracts on behalf of the United States.

(f) No contracts shall be entered into under the provisions of this section for a period exceeding 2 years or after the expiration of 3 years from the effective date of this act.

SEC. 7. As used in this act—

(a) "Secretary," standing by itself, means the Secretary of the Interior.

(b) "Administrator" means the Administrator of General Services.

(c) "Board" means the Minerals Conservation Board.

(d) "Exploration" means exploration in the United States for unknown or undeveloped sources of metals or minerals, including undeveloped extensions of known deposits, conducted from the surface or underground, by surface trenching, core or churn drilling, tunnels, raises, winzes, or shafts, including recognized and sound procedures for obtaining pertinent geological information, and including metallurgical research on processes for the production of such metals or minerals.

(e) "Production" means the production of ores or minerals from mines in the United States, or from tailings, dumps, slags, or residues of such mines, which the Secretary determines would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances with respect to each particular mine as to make it probable that for economic or technical reasons such production would not or could not be resumed promptly when needed for the national economy or security.

(f) "Small base metal mines" means mines or deposits of ores primarily producing or which in the course of conducting an exploration project primarily produce lead, zinc, or copper ores, or ores containing a combination of such metals, the average aggregate monthly production of which does not exceed 100 tons of lead, zinc, and copper metal combined.

(g) "Producer" means any person or persons or legal entity by whom or for whose account and interest exploration, maintenance, or production is to be or is being performed.

(h) "United States", when used in a geographical sense, means the United States and its Territories and possessions.

SEC. 8. This act shall not be construed as superseding or amending the Atomic Energy Act of 1946 (60 Stat. 755), as amended.

SEC. 9. There is hereby authorized to be appropriated not to exceed \$80,000,000 annually for carrying out the provisions of this act, including payments to producers for exploration, maintenance, and production, and the costs of administration, such funds to remain available until expended.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, the Senate committee report on S. 2105.

There being no objection to the report was ordered to be printed in the RECORD, as follows:

THE O'MAHONEY, MALONE, HAYDEN, AND McFARLAND BILL (S. 2105) TO STIMULATE EXPLORATION FOR AND CONSERVATION OF STRATEGIC AND CRITICAL ORES, METALS, AND MINERALS, AND FOR OTHER PURPOSES

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes, having considered the same, report favorably thereon with an amendment in the nature of a substitute, and recommend unanimously that the bill as amended do pass.

#### PURPOSE OF THE BILL

The general objective of the proposed legislation is to develop and maintain through private enterprise mineral reserves in the United States vital to the Nation's security and industrial needs. Overwhelming evidence was presented to the committee that known reserves of ores, minerals, and metals within the country have been critically depleted, that wholly inadequate exploration and development of new sources have been undertaken during the past 17 years, and that a large part of our domestic mining industry is in grave danger of disintegration.

This situation engenders a perilous and costly dependence by the United States upon ocean-borne supplies from foreign nations, constituting a most serious threat to our national security and to our long-range industrial peacetime needs as well.

Specifically, S. 2105 as amended has two immediate major purposes: First, to stimulate exploration for new or undeveloped sources of minerals and metals within the United States; second, to promote the conservation of known mineral resources which, because of declining prices and high costs as well as difficulties of operation, are in danger of being permanently lost. Such conservation would be accomplished by maintaining either in stand-by condition or in partial or total operation properties containing important minerals or ores, the production of which in the absence of aid such as that authorized by this bill would be discontinued or remain discontinued under such circumstances as to make it probable that for economic or technical reasons such production would not be resumed promptly when needed for the national economy or security.

It must be borne in mind that successful mining results in the depletion of the deposits which are mined and that because of the peculiar physical conditions under which mining operations take place, many mines once shut down can never be reopened. In many cases, a mine not in production fills with water, metal equipment corrodes and rusts away, supports disintegrate, and large-scale cave-ins occur. It is always difficult and, in many cases impossible, either technically or economically, to reactivate a mine that has once closed. Meanwhile the experienced and skilled-labor force necessary to operate such a mine has become dispersed. Thus, the mine and its ore body (as well as

the essential operating personnel) is, for practical purposes, lost.

So, too, with exploration. Technical experts have informed the committee that it usually takes at least a year or more after discovery to bring an ore body into production. The committee has been reliably informed that since 1932 adequate exploration and development of new sources of raw metals and minerals within the United States have not kept pace with the demands of our expanding economy.

#### THE PRESIDENT'S MESSAGE

The exploration and conservation objectives of S. 2105 are very clearly in line with the recommendations of the President of the United States. The Task Force on Natural Resources of the Commission on Organization of the Executive Branch of the Government in its report also recognizes the factual situation which has prompted the committee to report this bill.

In his budget message of January 10, 1949, President Truman said:

"Two world wars as well as subsequent needs for world recovery have drawn heavily upon our mineral resources. The Federal Government has a responsibility for assuring the adequacy of these resources through intensive surveys, investigations, and exploration; fundamental research; and sound conservation practices. Funds recommended for the Bureau of Mines and some activities of the Geological Survey are directed to these purposes. In addition, I recommend legislation which will authorize incentive payments for the exploration and development of strategic and critical minerals."

The report of the Hoover Commission task force states (p. 50):

"A pressing need of the Nation is a more adequate supply of a long list of minerals to support and strengthen our industrial economy and to insure our national security. Hence, encouragement of exploration should be the principal objective of policies dealing with minerals and fuels on the public domain. Maintenance of the Nation's mineral reserves requires not only the discovery of concealed ore bodies in old districts, but the finding of ore bodies in entirely new regions where signs of ore or evidence of conditions favorable for mineralization are not sufficient to have induced adequate exploration."

#### EXPLANATION OF THE BILL

Under S. 2105 exploration would be stimulated and promoted by the Government's sharing with private mining enterprises the cost of a project which offers, in the opinion of competent engineers and geologists, reasonable promise of the discovery of an unknown or undeveloped source of metals or minerals and which, on the record as established in accordance with rules and regulations under the law, could not be carried out without Government cooperation. The private operator would have to invest his own money in order to receive exploration aid from the Government.

Conservation would be accomplished either by the Government's contributing to the cost of maintaining particular mining properties in a stand-by condition, or by purchasing the products of such properties at prices which would enable them to continue in production. Conservation aid would be accorded only to those properties which, in the absence of such aid, would be discontinued or remain discontinued under such circumstances as to make it probable that the property could not be brought back into production promptly when needed.

In all cases, the exploration or conservation aid would be obtained by individual contract, with American producers contracting with their Government to expand or preserve the mineral resources of the Nation in conformity with the efficiency of private enterprise. The committee feels that there is a definite public interest in the preservation

of existing mineral resources and the discovery of new deposits.

Exploration or conservation contracts under the bill can extend for a period not in excess of 2 years, and no contracts may be made after 3 years from the effective date of the act. While they are exempted from the provisions for routine Government contracts requiring advertisement, competitive bids, and the like, all agreements entered into under the bill must contain an express provision that they are subject to the availability of appropriated money.

Existing governmental agencies will be utilized in the administration of the functions for which provision is made in the legislation. The policy determinations which must necessarily be made within the legislative mandates are placed in the hands of the agencies best qualified to pass judgment: The Departments of Interior, Defense, Commerce, and Treasury, with the heads of each of these agencies constituting a Minerals Conservation Board, and with the Secretary of the Interior constituted as executive chairman. Administration of the Board's policy determinations is placed in the Department of the Interior where the Bureau of Mines already has the organization and much of the personnel necessary for its administration. Included in the functions of the Department of the Interior is the approval or disapproval of applications for aid certified by technical experts with a dissatisfied applicant having an automatic right of appeal to the full Board.

In general, the amount to be paid for exploration aid or for maintenance is determined by the Board as are the prices paid for metals and minerals purchased as conservation aid.

#### DISPOSAL OF PURCHASES

Materials so purchased are delivered to the Administrator of General Services. The Administrator must first offer them to the Munitions Board for transfer to the strategic stock pile. If the Munitions Board does not deem it advisable to acquire such minerals or metals, then the Administrator may sell them in the open market but only if and when the open market prices will return to the Government at least the price paid for them and in such quantities that sales will not depress the market.

It is the considered opinion of the committee that the above provisions adequately protect the open metal market, and will not in any way interfere with the working of the law of supply and demand. Any materials purchased under the bill for conservation aid necessarily will be bought at prices higher than those current on the open market at the time of purchase. These materials may not be sold at prices less than the above-mentioned cost price, and then only in such quantities as will not depress the market. Thus the committee believes that the prices for materials produced and sold under usual practices and procedures will be in no way adversely affected.

This measure is not an amendment to the Strategic and Critical Materials Stock Piling Act of 1946 (60 Stat. 596). The minerals which are to be purchased will be made available first to the Munitions Board although the Board is not required to accept them. This provision is in accord with the recommendation of Munitions Board officials. It should be noted, however, that the objectives of the strategic stock-pile law are themselves predicated upon a healthy, going mining industry within the United States.

#### SMALL MINING ENTERPRISES

History shows that most of the principal mines now producing were developed from small mines. In fact, small mines are often producers of big mines. Evidence presented to the committee shows that current economic trends have driven many small mines out of existence and are threatening to drive



out many more, with the consequent dangers of monopoly control to our historic concepts of competition and free enterprise.

Therefore, the committee has written into the bill a "small mining enterprise" section and has set certain standards for aid to small base metal mines. A small base metal mine is defined in the bill as a mine with an average monthly production of less than 100 tons in the aggregate of copper, lead, and zinc combined. Such mines, when they offer reasonable promise of developing unknown or undeveloped sources of metals or minerals, are to be awarded simple exploration contracts providing for payment by the Government of one-half of the approved reasonable costs of tunnels, shafts, winzes, and raises made in connection with such exploration.

There is appended to this report a table, marked "Appendix A," prepared by the Bureau of Mines showing the approximate number of domestic lead-, zinc-, and copper-producing mines such as would be eligible for aid under the provisions of this section.

#### OTHER MINERALS

In providing for simple contracts for small base metal mines, the committee intended to avoid possible expense and harassment to the operator and delay in processing his application. There was no intention whatever of excluding from aid under the bill producers of other strategic, critical, or essential ores, metals, or minerals, such as manganese, tungsten, antimony, and mercury. It so happens that small copper, lead, and zinc mines lend themselves readily to legislative definition and action. A specific procedure for each of the other minerals can more readily be provided in the rules and regulations of the Board which will have the benefit of the advice of experts for each metal or mineral.

It is the intent of this legislation to avoid narrow, technical construction of terms or phrases by either the board or by the Secretary of the Interior. Each exploration appli-

cant will be using his own money as well as the aid he obtains under this legislation. The efficiency of private enterprise can be expected to result in substantial contributions to the replenishment of our mineral reserves.

#### DIVISION OF FUNDS

While it is the intention of the committee to preserve the sources of supply, which without conservation assistance would be lost, it is felt that emphasis must be placed on the search for new deposits, and that the program is likely to be more successful through support given to small independent mines rather than to those affiliated with integrated concerns having overseas mining interests. This is a measure designed to conserve and discover domestic sources of necessary mineral supply.

The committee hopes, therefore, that the Administration will devote not less than 50 percent of the appropriated funds for this type of operation.

As stated in the report of the Secretary of the Interior, it is impossible to make an accurate estimate in advance what appropriations may be required. However, the committee is informed that on the basis of the number of mines in the United States which may require the aid provided by this bill, and the information on domestic mineral deposits available in the Department of the Interior, it is believed that an appropriation of between \$77,000,000 and \$80,000,000 will probably permit attainment of the minimum objectives of this bill.

An accurate statement of requirements will be dependent upon the number of applications that may be filed. Actual appropriations of course will be controlled by Bureau of Budget estimates and the action of the Appropriations Committees of Congress.

Expenditures under this measure would not be mere outlay. New sources of mineral wealth would be developed through the exploration provisions. Other sources would

be saved through conservation aid purchases or by maintaining them in a stand-by condition. In addition, minerals purchased by the Government as conservation aid would be potentially useful for the national strategic and critical materials stock pile, or would be salable in the open market at prices involving no loss to the Government.

Inasmuch as the bill provides a program for only 3 years, and no contract can be made for any project extending more than 2 years, no large, long-term obligations of Federal funds can be incurred. As has been pointed out, each contract made under the measure must contain an express provision that it is subject to the availability of appropriated funds.

#### TAX RELIEF

Cogent evidence has been presented to the committee that tax allowances for exploration and development costs are an effective means of attracting much needed venture capital into mining. The committee recommends, therefore, that the appropriate congressional committee undertake a study of the possibility of providing tax incentives for the domestic mining industry. However, it realizes the impossibility that any such action can be taken, or that its effects would be felt, in time to deal with the present emergency situation in respect to domestic sources of essential minerals and metals.

S. 2105 provides a new approach to the extremely complex and difficult problem of developing our reserves and revitalizing our mining industry, which has been and is a cornerstone of our national economy in peace or war. Time is very much of the essence in this situation, and the committee respectfully urges prompt action on the bill.

The favorable report of the Department of the Interior, signed by Secretary Krug, under date of August 15, 1949, together with the report of the Bureau of the Budget, are hereinbelow set forth in full and made a part of this report.

#### APPENDIX A

*Estimated number and output of lode mines in the United States in 1948, classified according to production of base metals*

*(Those mines producing more than 1,200 short tons yearly of recoverable copper, lead, and zinc, combined, are designated noneligible)*

State	Number of lode mines			Production (short tons)								
	Total	Noneligible		Copper			Lead			Zinc		
		Number	Percent	Total	Noneligible	Percent	Total	Noneligible	Percent	Total	Noneligible	Percent
States west of Mississippi River:												
Arizona.....	360	16	-----	375,121	371,851	-----	29,899	26,150	-----	54,478	49,861	-----
California.....	241	1	-----	481	54	-----	9,110	5,862	-----	5,325	4,487	-----
Colorado.....	271	10	-----	2,298	1,428	-----	25,143	18,383	-----	45,164	40,904	-----
Idaho.....	194	26	-----	1,624	1,191	-----	88,544	77,502	-----	86,267	81,542	-----
Arkansas, Kansas, Missouri, and Oklahoma.....	294	32	-----	2,370	-----	-----	127,614	104,581	-----	85,892	27,228	-----
Montana.....	250	8	-----	58,252	56,380	-----	18,411	15,050	-----	59,095	55,238	-----
Nevada.....	350	3	-----	45,242	44,656	-----	9,777	4,936	-----	20,288	17,652	-----
New Mexico.....	91	10	-----	74,687	73,489	-----	7,653	4,901	-----	41,502	38,991	-----
Utah.....	118	10	-----	227,007	226,196	-----	55,950	51,679	-----	41,490	39,314	-----
Washington.....	30	5	-----	5,665	5,657	-----	7,147	6,823	-----	12,638	12,416	-----
Other States.....	35	-----	-----	41	-----	-----	522	-----	-----	51	-----	-----
States east of the Mississippi River:	110	30	-----	42,025	35,709	-----	10,706	9,221	-----	177,787	168,864	-----
Total.....	2,344	151	6	834,813	816,611	98	390,476	325,088	83	629,977	536,497	

Mr. MALONE. Mr. President, the proposed legislation was passed by the Senate. It was then submitted to the House of Representatives on October 10. Subsequently it was brought onto the floor of the House for a vote without the benefit of a rule from the Rules Committee. It was defeated by vote of the House since a two-thirds vote was needed in the absence of a rule, so the Senate bill, S. 2105, was defeated, and thereby delayed until January of the second session of the Eighty-first Congress, when it can again be considered by the House of Representatives. It does not again have to come before the Senate except

for review of any amendments offered by the House.

Mr. President, a combination of extremely high and onerous taxes—and the actions of the National Securities Exchange Committee—has, according to Mr. Schram, effectively halted the availability of new venture capital for the mining and other hazardous industries.

#### AMENDING THE SECURITIES EXCHANGE COMMISSION ACT IN THE INTEREST OF NEW VENTURE CAPITAL INVESTMENT

Mr. MALONE. Mr. President, the mining business is a speculative business until large bodies of ore have been

blocked out, which is a long, expensive, and a financially hazardous process.

The National Securities Commission performs a useful work—in requiring the truth to be told the public before an offering of stock can be made.

#### COMMISSION GOES BEYOND THE LAW

But the Commission goes beyond the matter of requiring the statements regarding a mine or prospect to be truthful. They often attempt to determine the feasibility of the enterprise which is obviously impossible before the very work has been done that is to be accomplished through the sale of stock.

Also hearings are often called or official statements are made by the Commission indicating fraud or lack of feasibility before a proper investigation—which means scaring potential investors even if the mining organization is later given a clean bill of health.

Mr. President, it is to furnish the proper protection of the public that I offer an amendment to the National Securities Act.

Mr. Schram, in this connection I offer for printing in the body of the RECORD at this point an interview with Emil Schram, who is the head of the New York Stock Exchange. This dispatch appeared in the Journal of Commerce of April 5, 1949.

**THE VICE PRESIDENT.** Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

**SCHRAM HITS DRIVE ON VENTURE CAPITAL—  
WOULD LOWER GAINS TAX RATES, LIBERALIZE  
OFFSET PROVISIONS**

DENVER, May 24.—A "relentless" attack on venture capital which, he said, had started "in earnest around 1936," with the tax structure, as its "weapon," was charged here tonight by Emil Schram, president of the New York Stock Exchange, in addressing a dinner of the Denver Chamber of Commerce.

He said that as the tax rates on corporate earnings and on individual income have risen, and particularly since 1936, "the burden on a dollar's income from business has mounted beyond any point originally contemplated or visualized."

"I believe," said Mr. Schram, "that the present Federal tax structure is actually causing a creeping paralysis in our economy that has alarming implications for the future expansion, productiveness and resilience of business enterprise. It is having this effect primarily by impeding the creation and flow of venture capital, the life blood of a progressive economy."

Three principal features of the tax structure were held mainly responsible by Mr. Schram. The surtax rates on individual income, double taxation of dividend income and the capital gains tax provisions.

Regarding the capital gains tax, Mr. Schram said that lower rates and more liberal offset provisions "would increase the mobility of capital instead of tending to freeze it."

**OFFERINGS HELD INADEQUATE**

Mr. Schram observed that "when I contemplate the taxes on income from investment in securities or business interest and the added contingent liability if one is fortunate enough to have a gain and wishes to capture it, I sometimes wonder not at the little interest in ownership of any kind, but that the spirit of investment has not been completely killed."

Noting that common-stock offerings for new capital through the end of April have been at the rate of \$50,000,000 a month, he termed this "an utterly inadequate trickle if we want to keep 60,000,000 persons gainfully employed." He said that the volume of trading on the stock exchange in relation to the number of shares listed is at a rate of only about one-seventh of that in 1926."

"The country and the whole world need new capital. That means a larger part of savings need to be devoted to new ownership investment, in new companies and in existing enterprises. It is fantastic to think that the standard of living can be improved here and abroad with the present tax structure."

Mr. MALONE. Mr. President, I ask unanimous consent to introduce a bill

proposing an amendment to the Securities and Exchange act, and I ask that the bill be appropriately referred and printed in the RECORD at this point.

**THE VICE PRESIDENT.** Without objection, the bill will be received, referred to the appropriate committee, and printed in the RECORD.

There being no objection, the bill (S. 2765) to amend certain provisions of the Securities Act of 1933, and section 3 of the Securities and Exchange Act of 1934, was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That subsection (a) of section 3 of the Securities Act of 1933, as amended, is amended by adding thereto a new paragraph as follows:

"(12) Any security the issuer of which is engaged in the exploration and development of natural mineral resources: *Provided,* That the issuer shall file with the Securities and Exchange Commission, before a public offering is made, a written statement containing substantially the following information: The full name and complete mailing address of (a) the issuer, (b) the directors and officers of the issuer, (c) the person by or on behalf of whom the offering is to be made, and (d) the principal underwriter of the securities to be offered; the title and amount of the security to be offered; the amount of the offering and of the underwriting discounts and commission; the date of the proposed offering; the States in which it is proposed to sell the security; the purpose for which the net proceeds are to be used; and three copies of every written communication, advertisement, or radio broadcast to be delivered thereafter to investors by the issuer or the principal underwriter, of any such security to more than 25 persons."

SEC. 2. Subsection (b) of section 19 of the Securities Act of 1933, as amended, is amended to read as follows:

"(b) When in possession of material written evidence and facts which, in the opinion of the Commission clearly justify an investigation for the enforcement of this title, and upon its written order, any member of the Commission, or any officer or officers designated by it, is empowered to administer oaths and affirmations, subpoena witnesses, take evidence, and require the production of any books, papers, or other documents which the Commission deems relevant or material to the inquiry. Such hearings and investigations as may be required shall be held in such place or places as the Commission may designate, but no witness shall be required by subpoena to appear at a place outside the Federal judicial district in which he may reside without his consent."

SEC. 3. Subsection (a) of section 20 of the Securities Act of 1933, as amended, is amended to read as follows:

"(a) Except as otherwise provided in section 8 of this title, the Commission shall investigate only such violations of the provisions of this title or of any rule or regulation prescribed under authority thereof, as shall be based upon a written complaint of a person outside the staff of the Commission setting forth material facts and circumstances showing that a substantial violation has occurred or is about to occur, and the Commission may thereupon, if in its opinion the public interest will thereby be served, authorize an investigation by written order, and a copy of such order and written complaint shall be made available promptly to the person subject to the investigation."

SEC. 4. Section 21 of the Securities Act of 1933 is amended by adding thereto a new sentence to read as follows: "Any person who is under investigation and who shall testify in such hearings or in any preliminary investigation shall be permitted to ob-

tain at cost a copy of his testimony and to be represented by counsel."

SEC. 5. Section 3 of the Securities Exchange Act of 1934, as amended, is amended by adding thereto a new subsection as follows:

"(d) No provision of this title shall apply to, or be deemed to include, any market place or facilities for the purchase and sale of securities of an issuer engaged exclusively in the exploitation, development, or operation of mines, or in the exploitation, development, and production of oil, gas, or other natural mineral resources."

Mr. MALONE. Mr. President, the offered amendment to the Securities Exchange Commission Act is offered to encourage new venture capital investment in the interest of the development and conservation of the strategic and critical minerals of this Nation.

**REGULATION OF FOREST PRACTICES—  
STATEMENT BY SENATOR ANDERSON**

Mr. ANDERSON. Mr. President, so many unfair presentations have been circulated on S. 1820, a bill I introduced on May 10 to provide for certain forest practices, that in the interest of a better understanding of the true objectives of this bill, I ask unanimous consent to have printed in the RECORD, as part of my remarks, a statement of observations in connection with S. 1820.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

**OBSERVATIONS IN CONNECTION WITH S. 1820**

A comprehensive program is needed, involving wholehearted cooperation of Federal and State forestry agencies and of the private owners—large and small.

Our virgin timber resources are dwindling. Forest industries in one locality after another feel the pinch of shortage. More and more they realize that good forestry is good business. The Nation as a whole is becoming increasingly aware of the need to keep forest lands continuously productive. The time is not far off when the volume of second-growth timber reaching maturity each year will of necessity measure the output of our forest industries.

In this situation the national forests are an anchor to windward. They contain one-third of our saw timber today. About 4,000,000 board-feet of timber are being cut from them annually—more than three times as much as before the war. These forests can supply even more—but this calls for construction of access roads, completion of management plans and other measures to facilitate intensive management. State forests and other public forests also have a contribution to make.

But three-fourths of the commercial forest land is in private ownership—the bulk of it in the hands of small owners whose holdings average only 62 acres each. The lumber and pulp industries, which justifiably take pride in the forestry progress of many of their leaders, own only 15 percent of the commercial forest land in private ownership. However successful their own programs may be, the bulk of the problem will still be unsolved.

The small owners, as a group, have made least progress in forestry and are least likely to adopt good practices of their own accord. In a 1945 survey, cutting practices were rated poor or destructive on 71 percent of the small private holdings. On the holdings above 5,000 acres in size, more than half of the cutting would maintain the land in reasonably productive condition, but even here 43 percent was still rated poor or destructive.

This generally unsatisfactory situation exists notwithstanding efforts of the States and



the Federal Government over a period of 40 years to encourage private owners to practice forestry. Since 1911 the Federal Government has cooperated with the States in the protection of forests from fire, but there are still almost 100,000,000 acres without organized protection. Federal forest research, through regional forest experiment stations, dates back about 30 years. The cooperative farm forest extension program has been in effect for 25 years and, for a like period, the Federal Government has extended financial aid to the States for the production and distribution of forest planting stock for farmers. Technical assistance in growing, harvesting, and marketing of timber crops, a program in which a few of the States took leadership, has been greatly stimulated by Federal cooperation since 1937. But such aid is spread very thin and is not yet available at all in more than one-third of the counties where small-forest ownership is important. All of these public aids are essential and need to be strengthened. In addition, private-forest management could be stimulated by special credit arrangements adapted to the long-term needs of timber growing.

However, our own experience to date, and the experience of European countries where forestry is more advanced, make it clear that more positive action is also needed to stop needless destruction and keep forest lands reasonably productive. Good markets such as we have had in recent years improve the opportunity for profitable forest management; but they also lead to heavier exploitation and premature liquidation of growing stock. The badly deteriorated forests in much of the East bear witness to this.

In short, public aids to private owners must be supplemented and supported by public regulation of cutting and other forest practices. And where conditions render good forestry in private ownership uneconomic, or where special public interests, such as watershed protection, are dominant, the lands should be purchased by the State or Federal Government.

Public regulation of private forest practices is not new. Some 14 States already have regulatory laws in this field, and 10 others have considered such legislation in recent years. There is wide variation in the effectiveness of these laws and, from a national view, State action is far from adequate.

Federal leadership in regulation is needed to establish basic standards and assure Nation-wide application within a reasonable time. S. 1820 proposes a Federal-State system in which the States would have opportunity to enact and administer regulation within their borders and would receive Federal financial aid in doing so. In this it follows a precedent which has been widely accepted in other phases of forestry. But this bill provides that the Federal Government would administer regulation in States which requested it or which failed to provide regulation meeting the Federal standards. The public needs such a guarantee that forest lands generally will be kept productive and that its large investments to that end will not be nullified by destructive cutting and other poor forest practices.

Such Federal legislation does not mean nationalization of our resources or an end to private enterprise. Certainly no one would claim that the railroads, the public utilities, radio broadcasting, the meat-packing industry, or industrial labor itself had been nationalized because they are subject to Federal regulation. In our complicated society some degree of public control of individual action is needed in many fields.

Nothing in the regulation proposed in S. 1820 can be fairly characterized as nationalization. It does not contemplate taking over industry nor acquiring forest lands that private owners desire to hold. It does

not dictate how much in the aggregate or when an owner may cut, nor whom he shall hire to do the work. It does no more than impose such restrictions as are necessary to safeguard the collective public interest. Neither is S. 1820 arbitrary in its impact on the individual property owners. It contains every reasonable administrative and legal safeguard for the rights of land owners and operators. As Lyle Watts, Chief of the Forest Service, has said, "The threat to our democratic way of life lies in depleted resources, not in a strong and reasonable plan to conserve them."

#### LAWS PROVIDING CRIMINAL PENALTIES FOR ENFORCEMENT

21 United States Code 63: Violations of provisions of law prohibiting manufacture and shipment of filled milk are punishable by a fine of not more than \$1,000 or imprisonment of not more than 1 year, or both.

21 United States Code 88: Violations of provisions relating to examination of animals, meat and meat products in interstate or foreign commerce are misdemeanors punishable by a fine not exceeding \$10,000 or imprisonment for not more than 2 years, or both.

21 United States Code 104: Persons knowingly violating the provisions relating to importation of diseased cattle shall be deemed guilty of a misdemeanor punishable by a fine not exceeding \$5,000 or imprisonment not exceeding 3 years, and vessels used in such importation shall be forfeited.

21 United States Code 122: Persons guilty of knowingly violating law relating to prevention of introduction and spread of contagious diseases of animals and/or live poultry, or the orders or regulations made in pursuance of such law, shall be guilty of a misdemeanor punishable by a fine of not less than \$100 nor more than \$1,000, or by imprisonment of not more than 1 year, or both.

21 United States Code 127: Violations of provisions relating to transportation of livestock and/or live poultry from quarantined States are misdemeanors punishable by fine of not less than \$100 nor more than \$1,000 or imprisonment of not more than 1 year, or both.

21 United States Code 333: Violations of Federal Food, Drug, and Cosmetic Act are misdemeanors punishable by imprisonment of not more than 1 year or a fine of not more than \$1,000, or both; if violation committed after a conviction under this section has become final, and in case of violation with intent to defraud, fine to be not more than \$10,000 or imprisonment not more than 3 years, or both.

15 United States Code 78 and following: Persons violating Securities Exchange Act or regulations thereunder, shall upon conviction be fined not more than \$10,000 or imprisoned not more than 2 years, or both, except that when such person is an exchange, a fine not exceeding \$500,000 may be imposed; but no person to be subject to imprisonment if he proves that he had no knowledge of such rule or regulation.

7 United States Code 13: Penalty for violations under the Commodity Exchange Act is a fine of not less than \$10,000 or imprisonment for not more than 1 year, or both.

7 United States Code 13a: Penalty for violations of orders to desist issued under the Commodity Exchange Act is a fine of not less than \$500 nor more than \$10,000 or imprisonment for not less than 6 months nor more than 1 year, or both.

7 United States Code 163: Penalty for unlawful importation and transportation of nursery stock is fine not exceeding \$500 or imprisonment not exceeding 1 year, or both.

7 United States Code 195: Violations of orders issued under the Packers and Stockyards Act are punishable by fine of not less than \$500 nor more than \$10,000 or imprison-

ment for not less than 6 months nor more than 5 years, or both.

7 United States Code 1596: Penalty for violations under the Federal Seed Act, or the rules and regulations promulgated thereunder is a fine of not more than \$1,000 for the first offense and not more than \$2,000 for each subsequent offense.

#### TRIBUTE TO SENATOR LUCAS

Mr. PEPPER. Mr. President, I have a few matters I desire to ask to have inserted in the Record, but before doing so I wish to say just a word in tribute to the distinguished majority leader, the Senator from Illinois [Mr. LUCAS], at the conclusion of this session of the Eighty-first Congress.

In January of this year the senior Senator from Illinois came to the challenging task of the majority leadership of the Senate. His duties were made more difficult and more challenging due to the fact that he succeeded as majority leader one of the greatest majority leaders who ever led the Senate, one of the greatest of Americans, now the Vice President of the United States.

Mr. President, without experience in the difficult task of leadership, the senior Senator from Illinois stepped into the great shoes of his predecessor and with rare distinction, courage, and fortitude, and, I think it may be added, with statesmanship and farsighted vision, discharged his very onerous duties.

The record of this Congress will of course speak for itself, but I am sure that it is the sentiment of his colleagues that not only has he made our task easier and more pleasant, and has cultivated a spirit of cooperation in this distinguished body, but his own personal contribution to the record of the Eighty-first Congress has been a most commendable one, both in his leadership off the body and in his own duties as an individual Senator.

Mr. President, I felt it might not be inappropriate at this time, when we are about to take a temporary adjournment, to express our great appreciation to the Senator from Illinois, to pay tribute to his distinguished leadership, and to extend our affectionate good wishes, which will accompany him to his home, in the hope that he will return here in January much refreshed to continue his eminent leadership in the Senate of the United States.

Mr. WHERRY. Mr. President, in his remarks the very able Senator from Florida said that our present majority leader succeeded one of the greatest majority leaders of all times. He succeeded Senator White, of Maine, and I appreciate the very flattering tribute the Senator from Florida has paid the former leader of the Senate.

Before the Senator from Maine as leader was ALBEN BARKLEY, of Kentucky, and it was a great pleasure for me to be associated with such able and distinguished leaders as the Senator from Maine, who preceded the present majority leader, and also the distinguished Senator from Kentucky, who we all agree was a great and able leader, and whom we all respect.

Mr. PEPPER. Mr. President, I thank very warmly the distinguished minority leader for correcting the technical inac-

curacy in my reference to the Senator from Illinois following the majority leader of the Eightieth Congress. It might have been that inadvertence on my part was due to the lighter impression the Eightieth Congress made upon my memory. [Laughter.] It was perhaps only the natural thing for me to leap over that period in our national history back to the illustrious leadership of the gentleman who is now the Vice President of the United States.

However, I join in a warm tribute to and recognition of the personal and statesmanlike qualities of the eminent Senator from Maine, Mr. White, who has passed from the Senate.

Mr. WHERRY. With respect to the lighter impression the Eightieth Congress left upon the Senator from Florida, of course the work of that Congress will still be an issue which will not only be subject to review, but which will be passed upon, I may say to my good friend from Florida, by the American people in the election of 1950.

Mr. PEPPER. Mr. President, I was not ignoring the contribution that had been made by the distinguished minority leader. Colleagues of the Senator, not only members of his own party, but on the other side of the aisle, highly esteem him. He was most cooperative as majority leader, in the Eightieth Congress.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. RUSSELL. Without becoming involved in any political discussion, I should like to say a word of good wishes to and of affection for the distinguished majority leader. There are few men in this body who have any idea of the difficulties which beset one who serves as majority leader. It is one position in which because of the shifting scenes, it is absolutely impossible to please many persons from day to day. If a man were endowed with the wisdom of Solomon and with greater patience than Job he would still need to have the hide of a rhinoceros to serve in the capacity of majority leader.

Certainly the present majority leader has been beset with perplexities and difficulties which have been as numerous and as great as those which have confronted any of his predecessors in this seat. He has dealt with them with courage and with understanding. As a member of the majority policy committee I have had some little inkling of the many different problems he has been compelled to confront and to deal with. He deserves, and I hope will have, a most pleasant vacation. I salute him for work well done under great difficulties.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FULBRIGHT. I wish to associate myself with the sentiments expressed by the Senator from Florida. As one of the junior Members of this body, I have, of course, felt some of the pressures and difficulties of this session, the longest, certainly, that I can remember. But that is as nothing compared to what the majority leader has been wrestling with during 10 months. I express my admiration for and my congratulations to the majority leader for the fine job he has done. Particularly, I think in recent

months the business of the Senate has moved along in an extraordinarily smooth and orderly fashion, and I think it bodes very well for the second session of this Congress. I think his leadership is developing most rapidly. I have only one regret, that as his leadership in the Senate is developing, the quality of his golf game is rapidly deteriorating.

#### ADDITIONAL SPONSORS OF SENATE JOINT RESOLUTION 126

Mr. PEPPER. Mr. President, I ask unanimous consent that Senate Joint Resolution 126, to direct the Administrator of Veterans' Affairs to construct certain additional hospital beds, and for other purposes, may be printed, with the inclusion of the names of additional Senators who have requested that their names be added as sponsors, as follows: The Senator from Kentucky [Mr. WITHERS], the Senator from Mississippi [Mr. STENNIS], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Missouri [Mr. KEM], the Senator from Missouri [Mr. DONNELL], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Oregon [Mr. CORDON], the Senator from New York [Mr. IVES], and the Senator from California [Mr. KNOWLAND].

Mr. WHERRY. What is the joint resolution?

Mr. PEPPER. I simply ask for a reprint of the joint resolution which deals with veterans' hospitals, and the addition of the names of Senators who have asked to be joined as sponsors of the measure.

Mr. WHERRY. I have no objection.

There being no objection, Senate Joint Resolution 126 was ordered to be printed, with the additional sponsors.

#### FEDERAL OLD-AGE AND SURVIVORS INSURANCE SYSTEM—AMENDMENT

Mr. PEPPER. Mr. President, I ask unanimous consent to submit for appropriate reference amendments intended to be proposed by me to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes, and I ask unanimous consent to have printed in the body of the RECORD in that connection a table and a statement entitled "The American Public Pension System," presented and prepared by the Public Affairs Institute, which is merely a commentary upon the social security pension system.

The VICE PRESIDENT. Without objection, the amendments will be received, printed, and referred to the Committee on Finance, and the matter referred to by the Senator from Florida will be printed in the RECORD. The Chair hears no objection.

The matter referred to is as follows:

#### PROVISION IN THE SOCIAL SECURITY ACT AS PASSED BY THE HOUSE ON AID TO THE BLIND AND AID TO DEPENDENT CHILDREN AND DATA ON PRESENT PAYMENTS

##### AID TO BLIND

Change under H. R. 6000:

Old matching formula: three-fourths of first \$20 plus one-half of next \$30.

New matching formula: four-fifths of first \$25 plus one-half of next \$10 plus one-third of next \$15.

Net effect: Poorer States will be able to increase payments. No change in maximum Federal grant of \$30.

Average monthly aid to the blind, June 1949:

National average	\$46.50
Highest State (California)	82.54
Lowest States (West Virginia, Alabama)	25.02
Florida	42.21

Source: H. Rept. 1300 on H. R. 6000.

##### AID TO DEPENDENT CHILDREN

Change under H. R. 6000:

Old matching formula: three-fourths of first \$12 per child plus one-half of the balance. Maximum: \$27 for first child, \$18 for succeeding children.

New formula: four-fifths of \$15 plus one-half of next \$6 plus one-third of next \$6. Maximum: \$27 for the relative keeping the child and \$27 for first child plus \$18 for additional.

Average family payments, June 1949:

National average	\$72.71
Highest State (Washington)	135.44
Lowest State (Mississippi)	26.49
Florida	41.95

Source: H. Rept. 1300 on H. R. 6000.

#### THE AMERICAN PUBLIC PENSION SYSTEM<sup>1</sup>—A MEMORANDUM ON THE FACTS OF THE BENEFITS UNDER THE SOCIAL-SECURITY PENSION SYSTEM WITH AN EVALUATION OF THE ADEQUACY OF THE CHANGES AS PROPOSED IN H. R. 6000

(Presented by the Public Affairs Institute by Dewey Anderson, executive director, and G. Barr King, staff economist)

##### Introduction

Social security is a tremendously significant subject on which thousands of printed pages of technical materials appear every month. But like so many fields of increasing political importance—the field of natural resources, of a workable farm program, to mention only two—there is very little general understanding of the central issues or of the basic facts.

Because of the intrinsic importance of social security, the concerted drive for pension benefits by organized workers in present contract negotiations, and the current legislative developments in Congress, we at the Public Affairs Institute have thought it worth while to prepare a brief and readable description of one phase of the social-security system—current benefits under the old-age-pension program. We believe that the complexity of the social-security system makes it worth while to deal with the problem one step at a time. Consequently the very large issues connected with the financing of the pension program have not been treated in this memorandum. They will be discussed in a later publication.

This paper is not written for the specialist but for the intelligent layman who is interested in brushing up on the central problem of old-age security benefits. While the intent has been to do primarily a descriptive

<sup>1</sup> In the interests of informality and readability, this memorandum has dispensed with a multiplicity of footnoted references. Essential sources include: (1) The Advisory Council on Social Security, Public Assistance—A Report to the Senate Committee on Finance, June 1948; (2) The Advisory Council on Social Security, Old-Age and Survivors Insurance—A Report to the Senate Committee on Finance, April 1948; (3) United States Congress (81st Cong., 1st sess.), House of Representatives, Report No. 1300 to accompany H. R. 6000, Social Security Amendments of 1949; (4) Evelyn M. Burns, The American Social Security System, 1949.



job, we have not refrained from critical evaluation in the last section of the memorandum.

DEWEY ANDERSON,  
*Executive Director, Public Affairs  
Institute.*

# I. THE ORIGIN OF THE PRESENT SYSTEM

## A. The situation prior to 1935

Even in the wealthiest country in the world there is no serious question of the inability of a large part of the aged population to provide for old age. The decline in earning power associated with age in an economy in which current wages and salaries are the major source of livelihood has for a long time meant that the average worker is not self-supporting in his late years.

The success of the medical profession in prolonging life together with the falling birth rate has had the effect of emphasizing the importance of the problem. An ever-growing proportion of the population is in the older age groups. Whereas fewer than 3 percent of the population in 1850 was over 65 years of age, in 1940 the proportion was 7 percent and is predicted to grow to 10 percent in 1970.

It was no coincidence that the 1930's forced on our society a recognition that social security for aged workers could no longer be provided by local charity, county poorhouses, and private help from relatives and friends. By 1935, even the conservative elements in the community had come to recognize that old age dependency was increasing, and was not just a product of individual improvidence, but was deeply rooted in our social institutions.

The Social Security Act of 1935 embodied America's recognition that society as a whole had definite responsibilities to the worker whose productivity inevitably becomes impaired after a lifetime of useful employment. It was appropriate and inevitable that the Federal Government should enter the picture as the representative of all citizens in a national problem knowing no State or county boundaries.

## B. The philosophy of the Social Security Act of 1935

### 1. The Fundamental Assumption

As a basic premise the act recognized the inability of the average wage earner to provide by voluntary savings from current income sufficient funds to support his family in his old age. For example, in 1947 the Federal Reserve Board reports that 64 percent of all spending units spent more than they earned. The act implicitly recognized the difficulty of maintaining savings in an economy subject to conditions of unemployment beyond the control of individual workers; it recognized the effectiveness of modern advertising in inducing spending rather than saving; it recognized the reluctance of private employers to give employment to workers over 45 when younger workers were available. In short, the Social Security Act took account for the first time of the practical barriers to independently secured freedom from want facing the large majority of our population.

### 2. The Social Insurance Principle

In realistically facing the issue, the Social Security Act represented one of several possible solutions to the problem. In rejecting the charity approach the act adopted the contributory principle of social insurance in which the worker shares directly in meeting the costs of the system and in which the benefits are directly (but not proportionately) related to his own productive efforts as reflected in his income during his participation in the plan.

In relating benefits to worker contribution, it was assumed that individual ambi-

tion and effort are encouraged; that productivity, individual and national, is stimulated.

The long-run provision for old age insecurity under the Social Security Act was Federal participation in a social-insurance plan, the so-called old-age and survivors insurance (OASI).

The adoption of the insurance system did not help the present generation of aged workers. A short run supplementary device was needed as a stopgap in the immediate transition period before the insurance system was fully operative. Accordingly, the old-age assistance program (OAA) was developed whereby Federal grants-in-aid were made available to the States. OAA is a State program, basing eligibility and the amount of payment upon the absolute need of the individual aged person as determined by a means test. It is State administered and only partly federally financed. This program was intended to bolster existing State programs until such time as social insurance would provide security for the great majority of retired workers.

Briefly then, the American pension system under the Social Security Act of 1935 and as later amended consisted of a long-range contributory insurance system in which benefits are related to the level of past earnings, and a grant-in-aid program providing Federal funds to State systems in which assistance is rendered on the basis of case-work determination of individual need.

## II. THE CURRENT LEVEL OF PENSIONS

### A. Old-age insurance

The amount of pension accruing to a wage earner in employment covered<sup>2</sup> by the act depends on actual life earnings since the act became effective. The average monthly wage is computed by dividing the total amount of earnings in covered employment (up to \$3,000 per year) by the number of months since the end of 1936. Thus the theoretical maximum average monthly wage is \$250, although if the worker had in fact worked only during half the period, his average wage is defined as \$125.

The "monthly primary" benefit is directly related to the average monthly wage as computed above. It is obtained by taking the sum of 40 percent of the first \$50 of the average monthly wage and 10 percent of the remaining sum up to an additional \$200. To this basic amount is added 1 percent of the primary benefit for each year in which the worker earned \$200 or more in covered employment.

The monthly primary benefit can in no circumstances fall below \$10. The maximum benefit for a man retiring at the end of the current year who has worked continuously for the maximum pay throughout the life of the act would be \$44.80 per month.<sup>3</sup> In addition the wife of the pensioner may draw a benefit equal to one-half of the husband's primary benefit when she becomes 65.

Under the present law a worker who has 40 years of service at the maximum wage (\$3,000 per year) will receive \$56 per month. Nor can the total of benefits accruing to a family exceed \$85 per month.

At the present time the actual payments to retired individuals are running at much less than the theoretical maximum since very few persons have had continuous employment at \$250 per month since 1937. In 1948, the average retired male worker re-

<sup>2</sup> The system now covers approximately 35,000,000 workers. An industry which is under the social-security system is usually called a "covered" industry.

<sup>3</sup> The average monthly wage would be \$250: 40 percent of \$50 equals \$20; 10 percent of \$200 equals \$20; a total of \$40. The annual increment is 1 percent of \$40 or \$0.40. Twelve years increment yields \$4.80. The total benefit is \$40 plus \$4.80 or \$44.80.

ceived a payment of \$25.60; an average payment of \$39.90 went to families consisting of a worker and wife each over 65.

By no means are all persons reaching the age of 65 eligible for the benefits under the act. It has been estimated that in 1948 only 20 percent of the population aged 65 and over is either insured or receiving benefits. In order to qualify today the worker must have had at least six full years<sup>4</sup> of work in covered employment. When it is recalled that not more than three out of five civilian jobs are covered by the act, the difficulty in qualifying becomes readily apparent.

In addition, the so-called "retirement clause" of the original act has been interpreted to mean that the total benefit must be withheld in any month in which the pensioner earned more than \$14.99 in wages.

As a result of these restrictions the Social Security Board reports that about one million aged persons received primary benefits at the end of 1948. Counting primary recipients, their wives and survivors, a total of 1,600,000 aged persons receive benefits of some kind under OASI. Inasmuch as there are 11,000,000 persons who have reached the age of 65, the vast majority of the existing aged population is not provided for by the existing social insurance plan.

### B. Old-age assistance (OAA)

It was recognized at the outset of the social security program that for the first two or three decades following the passage of the act there would be the need for a supplementary program to fill in the gaps and provide for the existing aged population who could never qualify for social insurance. In addition it was believed that there might always be a small but significant part of the population which for a variety of reasons could not qualify under the insurance program. On the whole, however, the old-age assistance program was thought to be a transitional system to operate until the social insurance scheme matured. Thus it could be expected that OAA would taper off gradually, both in the number of persons receiving aid and in terms of the expenditures under the program. While this underlying theory may still be correct, the peculiar economic developments since 1935 have produced unanticipated results.

Old-age assistance had been a local government program with the States entering only with the inability of local city and county governments to finance adequate assistance to the needy aged. It has been administered on a needs test basis taking into account all income in determining both eligibility and the amount of payment.

The National Government also entered the assistance field primarily for financial reasons. Under the Social Security Act, the Federal Government assumed new and substantial responsibility through the grant-in-aid device.

Under the act as amended in 1948, the Federal Government provides three-fourths of the first \$20 of the average monthly payment plus one-half of the remainder up to a \$50 maximum. Thus the Federal contribution has a \$30 per person ceiling.<sup>5</sup> The operation of OAA is entirely local (non-Federal) aside from the usual Federal practice of setting minimum standards in order to qualify for Federal money.

As a result there is extremely wide variation in OAA practices among the States,

<sup>4</sup> Half as many quarters as could have been accumulated by continuous employment since 1937 or at least 40 quarters of employment.

<sup>5</sup> If the State payment is \$50, the Federal share is 75 percent of the first \$20 or \$15, plus 50 percent of the next \$30 or an additional \$15. Any payment above \$50 must be locally financed.

both with respect to eligibility requirements and the level of payments. In December 1948, for example, the proportion of persons over 65 receiving assistance ranged from 79 percent in Louisiana to less than 5 percent in the District of Columbia. The national average was 23 percent. This variation, of course, arises out of differences in the economies of the different States as well as because of varying State laws. Appendix table 1 presents the information for each State, ranked according to the proportion receiving assistance.

The level of payment also varies tremendously from State to State. In June 1949, average monthly payments ranged from \$20.54 in Georgia to \$70.55 in California, with the national average being \$43.60.<sup>6</sup>

The following table<sup>7</sup> shows how the monthly average payments were distributed in June 1949 over the different States and Territories:

Average monthly payments	
Number of States (51):	
9-----	Less than \$25.
5-----	\$25.01 to \$35.
4-----	\$35.01 to \$40.
11-----	\$40.01 to \$45.
9-----	\$45.01 to \$50.
7-----	\$50.01 to \$55.
6-----	Over \$55.
Average-----	\$43.60.

It is worth noting that in only nine States was the monthly payment less than the national average for present OASI payments. Appendix table 1 presents the individual State-payment figures.

The extreme variation in the size of payments from State to State reflects both differences in ability to pay as measured by State income levels and differences in State attitudes toward needy aged.

It is obvious that the relative wealth of a State affects its fiscal capacity and its ability to pay. The fact that some States do not choose to utilize all of the Federal funds which are available on a matching basis despite the pressure of the old-age lobby is testimony to the extreme pressure on fiscal resources in the poorer States. In order to receive the maximum of Federal funds, \$30, the State and local authorities must contribute \$20. In one State, Mississippi, not all of the Federal funds available on a 3-to-1 (75 percent of the first \$20) basis was drawn upon.

The figures presented above were average monthly payments in various States. Since the assistance program is based on individual needs, the payments vary tremendously in size between individuals in the same State. Data on the distribution of payments by size in October 1947 reveals this clearly and also drives home the tremendous disparities existing between States. In California and Colorado more than 70 percent of all recipients were paid between \$60 to \$70 per month; in Alabama, Arkansas, Georgia, Kentucky, Mississippi, and North Carolina over 60 percent received between \$10 and \$20.

<sup>6</sup> These measures of differences among the various State programs do not characterize completely the actual discrepancies in treatment accorded the needy aged. Among the more important differences are the question of minimum property resources allowed before aid is given, the minimum standard of living against which the individual's resources are tested, and the responsibility of relatives for support. This memorandum will not attempt to deal with these details, although their importance is recognized.

<sup>7</sup> Calculated from United States Congress, Eighty-first Congress, first session, House Report No. 1300, p. 39.

#### C. Comparison between OAA and OASI

The previous section makes it clear that despite the intentions of the Social Security Act, the assistance program is now the major element in our old-age pension program, both from the point of view of the number of beneficiaries and the size of benefits.<sup>8</sup> Appendix table 1 shows by States the relative coverage of the two programs. The unforeseen growth in importance of old-age assistance has extended the transition period and will continue to delay the effective operation of social insurance unless substantial changes are made in the Social Security Act.

The reason for this development is readily ascertainable and may be summed up as follows: Assistance payments have proved to be more easily adjusted to the rise in the cost of living which has occurred since 1940.

In 1940 the average OASI payment to a retired male worker was about \$23 per month. In June 1945, it was \$24.10 and by June 1948, it was \$25.60. Thus the insurance benefit, starting from an extremely low level increased hardly more than 10 percent during a period in which the cost of living had risen between 70 and 75 percent.

Assistance payments were slightly lower in 1940 than OASI. But from \$20.26 in 1940, the average OAA payment increased to \$43.60 in 1949. Thus assistance benefits more than doubled in the period while OASI payments increased by little more than 10 percent. If we take account of the consumer-price changes, the assistance payments increased in real value by more than 40 percent while the insurance benefits were falling by 35 percent.

The comparative financial benefit accruing to a pensioner on OAA is beyond any doubt. The factual situation prevailing raises serious questions for the present public-pension system.

#### III. AN EVALUATION OF THE PUBLIC-PENSION SYSTEM

The previous sections have attempted to summarize very briefly the present status of old-age pensions in the United States. The developments of the last decade make clear two cardinal facts.

First, the inadequate level of public pensions from either source is painfully evident.

Secondly, as a consequence of the greater rigidity of the existing social-insurance plan (OASI), the structure of the pension system has been seriously distorted from the objective envisaged in the Social Security Act. The Advisory Committee on Social Security in its report to the Senate Finance Committee characterized the situation in this way:<sup>9</sup>

"The fact that these changes in the public-assistance program have preceded changes in social-insurance coverage and benefits is . . . a matter of serious concern. Unless the insurance system is expanded and improved so that it in fact offers a basic security to retired persons . . . there will be continual and nearly irresistible pressure for putting more and more Federal funds into the less constructive assistance programs."

Our unwillingness to liberalize the social-insurance program while subsidizing an outmoded old-age program based on the means test is paradoxical.

The entire development of social-security legislation throughout the world (and in the United States since 1935) has been away from the poor law tradition in which meager benefits were given upon proof of dire need. The trend has been away from charity and toward the goal of a guaranteed minimum standard of living. The device of a guaranteed minimum cash income as a matter of

<sup>8</sup> It is, of course, recognized that the two payments are not strictly comparable.

<sup>9</sup> Report on Public Assistance, p. 3.

right is becoming the accepted technique for providing security for the retired worker.

In this context the trend of the last decade has been retrogressive to an extreme degree. The failure to liberalize OASI in order to mitigate the effects of wartime inflation on the aged population has resulted in a re-emphasis of the assistance program which appeared to have been consigned to a relatively minor role in the public pension system. We have in effect given the older system a new lease on life. Virtually no one<sup>10</sup>—certainly not the pensioners—is pleased with the result.

Consequently, the local campaigns by organized groups of "senior citizens" to improve the assistance programs have sought not only to increase the levels of benefit but to eliminate the evidences of charity implicit in the program. In effect, the old-age lobbies are saying: If you will not give us adequate social insurance as a matter of right and not charity, we want adequate State assistance programs as a matter of right, not charity.

Recent California history is a case in point. By constitutional amendment in 1948, the State assistance program has been almost completely converted into a guaranteed pension for all needy aged. It is characterized<sup>11</sup> as resting on the "basic concept . . . that the aged are entitled to a minimum degree of security so that they may live out their remaining years in peace and dignity. . . . It recognizes pensions as something earned by our elder citizens . . . which the State has a moral duty to pay if they are needy. It also assures that this moral duty shall be discharged without destroying the dignity and peace of the aged."

The amendment to the California Constitution (so-called proposition No. 4) not only provided for a liberalized pension but moved substantially away from the means test; it allowed a recipient to retain real property assessed in the amount of \$3,500, and personal property of \$1,500; it materially decreased the legal responsibility of relatives toward the aged. Thus it is possible for an aged couple with property assessed at \$7,000 (and presumably worth substantially more) and personal property of \$3,000 to be eligible for individual pensions totaling \$150 per month. In addition the age requirement was lowered to 63 even though Federal grants are not available for persons younger than 65.

Proposition 4, passed as a result of a well-organized campaign, has gone a long way toward providing a guaranty of a substantial State pension to all aged citizens as a matter of right. Administrative features of the California plan are also significant in that the executive head of the State pension program is an elective official responsible only to the voters. This arrangement was secured with the object of insuring "sympathetic and humane administration" of the new program under the constitutional amendment.

In a rapidly aging society, in which an ever larger proportion of the voters are pensioners, there is no doubt that the California model will be increasingly attractive politically—if drastic revisions of the social insurance plan are not effected.

#### IV. THE PRESENT PLAN TO AMEND THE SOCIAL SECURITY ACT

The contradictory features of our social security system today have been recognized

<sup>10</sup> Lewis Meriam of Brookings Institution is conspicuously isolated among professional experts in his repeated championing of the charity principle.

<sup>11</sup> Committee for Protection of the Aged and Blind, case book of facts on why proposition No. 2 should be defeated at the coming election, November 8, 1949.



for a good many years. For a variety of reasons (with which this memorandum does not attempt to deal) amendments designed to deal constructively with the problem have taken a long time to reach the legislative stage. The culmination of a long campaign was reached recently when the House passed H. R. 6000, after a brief debate.

What does H. R. 6000 contain to remedy the situation?

#### A. Extension of insurance coverage

Under the bill, approximately 11,000,000 would be added to the 35,000,000 already covered. With minor exceptions the bill extends coverage to all workers except agricultural employees, certain self-employed groups, regular Federal, and railroad employees (the latter two categories are covered by special retirement programs).

#### B. Liberalization of benefits

##### 1. To Existing Pensioners

The present scale of OASI benefits would be increased from an average of \$26 per month to about \$44, or a gain of 70 percent. The increase would be greatest in the lowest group, as the minimum is increased from \$10 to \$25, and least in the highest group in which the current maximum of \$45 would become \$64.

##### 2. To Future Pensioners

##### (a) Level of benefits

Persons who retire when the bill becomes law will receive benefits substantially double existing payments. Appendix table 2 compares the level of benefits under the new and old plans. The detailed calculation of the monthly primary benefit has been liberalized. Earnings up to \$3,600 will be considered in the computation of the average wage, and the procedure is changed to reflect actual employment history rather than the total time elapsing since the effective date of the act. The monthly primary benefit is obtained by taking 50 percent of the first \$100 (formerly \$50) of the average monthly wage plus 10 percent of the remaining sum (up to an additional \$200). This amount is increased by one-half of 1 percent for each year of coverage, as compared to the present increment of 1 percent per year.

A further complication has been introduced in H. R. 6000 to reflect the continuity of the worker's employment. The operation of the so-called continuation factor is best shown by an example:

Assume that a man has an average monthly wage (as defined in the act) of \$200 during 9 years of work in the last 12 years. The computation of his monthly benefit under H. R. 6000 is—

50 percent of \$100.....	\$50
10 percent of \$100.....	10

Total (called the base amount)-- 60

Since he has worked in only 9 out of 12 possible years, his "continuation factor" is defined as 75 percent—the ratio of 9 to 12—75 percent of \$60 equals \$45.

To this amount is added the increment of one-half of 1 percent per year worked or  $\frac{1}{2}$  times 9 equals 4.5 percent. Four and five-tenths percent times the base amount (\$60) equals \$2.70.

His primary monthly benefit equals \$45 plus \$2.70, or \$47.70.

Both the increment and the continuation factor are designed to give additional benefit to seniority in employment covered by the bill.

The minimum benefit is increased from \$10 to \$25; the theoretical maximum family benefit from \$85 to \$150.

##### (b) Eligibility for benefits

A new means of qualifying for benefits is provided: 20 quarters (5 years) of covered employment out of the 10-year period ending

at death or age 65. The bill also permits a pensioner to earn up to \$50 per month without loss of benefits. At present the limit is \$14.99. After the age of 75, there is no "retirement" restriction in the new bill.

#### C. Increase in old-age assistance grants to the States

The bill changes the grant-in-aid program in order to make it easier for the poorer States to match Federal funds. The maximum contribution remains unchanged at \$30 but Federal funds now will pay 80 percent of the first \$25 of benefit (formerly 75 percent of the first \$20) plus 50 percent of the next \$10 and 33½ percent of the next \$15 (formerly 50 percent of the amount exceeding \$20 and below \$50). This change will not benefit the wealthier States but will boost the poorer-State benefits. It is estimated that States with payments of between \$20 and \$25 would be able to raise their benefits by \$5 without additional local expense.

To summarize, the immediate effect of the bill on the old-age pension system would increase existing benefits on the average about 70 percent, bringing old-age and survivors' insurance payments up to the old-age assistance national average. At the same time, OASI coverage is increased by about one-third. In addition, the assistance program in the poorer State is considerably liberalized.

#### V. EVALUATION OF H. R. 6000

The important question is, of course, whether or not the admitted improvements are adequate to remedy the old system so universally characterized as deplorable. To answer the question completely is really beyond the scope of the present descriptive paper, but a few remarks on the central issue are in order.

The adequacy of H. R. 6000 can conveniently be discussed on two levels—its short-run and long-run adequacy. In the short run, the practical issue is whether or not the proposed bill provides for the present needy aged. The facts show that even the increased coverage proposed will not permit the majority of the population over 65 to benefit under the insurance (OASI) program. "Of the 5,200,000 men now aged 65 and over, only one-third are insured under the program and of the 5,500,000 women \* \* \*, only one-fourth are either insured themselves or are wives or widows of insured men."

Since the present aged actually included are among the more well-to-do part of the older population, the inadequacy of the reform amendments is even greater than the above quotation indicates. The fact is that even with the extension of coverage under the bill, the overwhelming majority of aged persons needing assistance will not receive insurance benefits, but will continue to rely on the assistance program.

Secondly, the inadequacy of the new levels to provide support is almost beyond debate. The primary effect is to compensate for the cost-of-living increases since 1940. Since the level of benefits before the war was extremely low, it still remains pitifully inadequate.

Thirdly, the assistance program itself has been modified in order to allow the poorer States to receive Federal funds more easily. There is a serious question (raised emphatically by the minority members of the Ways and Means Committee) that the practical effect of the change will be to discourage the other States from paying adequate benefits. After the State payment reached \$35, the Federal Government no longer matches the local expenditure as in the existing law, but finances only one-third of the payment over \$35. Fearing that the tendency will be to

<sup>22</sup> Minority views of Representative CARL T. CURTIS, House Report 1300 on H. R. 6000, p. 174.

standardize benefits at this level, the minority members comment:

"The result of the proposed formula is to start a trend in old-age assistance away from case-work determination and turn it into a mass-production benefit-roll technique."

It is probably fair to conclude that the present amendments to the act neither remove the competitive nature of the two pension programs nor achieve an adequate level of support for our aged citizens.

More explicitly, the increase of about 70 percent (from \$26 to \$44) in OASI average payments is not adequate to maintain a reasonable minimum standard of living; neither does the extension of coverage substantially affect the existing aged population. Older citizens must still rely on assistance payments. The bill does not move forward materially the extension of automatic pension benefits on a noncharity principle. Implicitly, however, the effect may be to accomplish this purpose indirectly. As the minority indicates, the effect of the bill may be to speed the conversion of the assistance program into a flat pension based on right rather than individual need. By not legislating boldly to extend the insurance program to present old citizens, we may drift into a program which accomplishes a complete reversal of the original intent of the Social Security Act of 1935, i. e., the social insurance system may go by default in favor of a flat pension.

The paradox between the avowed intentions and the effective results of the amendment illustrates what may be an insuperable difficulty in the assumptions of the social insurance principle.

The major difficulty which has precipitated the current crisis, the inflexibility of an insurance system during an inflationary period (and the reluctance of politically powerful elder citizens to take a licking from the swollen cost of living without fighting back) raises serious questions as to the feasibility of the existing plan of social security in the United States. In the absence of a very stable price level, the current situation is likely to be chronic. Even after the transition to complete coverage of OASI is effected, the difficulty of adjusting benefits calculated on dollars paid in to the system at different price levels will remain. If the price level should prove to have a long term increasing trend, there will be a continuously spiraling revision process, periodically boosting benefits (always with a lag) in a vain attempt to protect the real equity of the pensioned citizens.

Should the reverse situation prevail and prices tend downward, the equities in the social product accruing to the productive groups in the population are adversely affected. Only in the event of an unlikely stability in the general level of prices will political tension in the social security field be relaxed. The fundamental character of this conflict has not been touched in the present legislating to "catch up."

The insurance system (OASI) is premised on the social desirability of basing the individual's pension benefits on the amount of his past earnings. Today's situation suggests that this objective cannot be achieved under the present techniques of the Social Security Act (which are not modified by H. R. 6000). The present actuarial scheme can guarantee only money benefits; to accomplish a meaningful objective, benefits in real terms must be provided. The contributor to the social-security fund today will never be content with the hollow satisfaction that at 65 he will receive X dollars if he has no assurance that the value of those dollars will not be the same when he retires. The present act can never give this guaranty. The choice facing us should be clear. Either the theory of the act with its premise

of tying benefits to past earnings or the technique of the act must be revised.

Changing the basic premise of the act would mean a flat pension system to all aged citizens as a matter of right not need.

If we eventually choose the latter alternative, changing the technique by tying the level of benefits to some kind of cost-of-living index, we are departing a long way from the relatively straightforward actuarial principles of the original act. A real question exists as to whether the effort is worth while to maintain the actuarial facade.

The present bill does not grapple with this central issue. In addition, it fails to revise the level of insurance benefits and the effective coverage of the act to a degree which will satisfy anyone for long.

H. R. 6000 must be regarded as a patch on the tube of an old tire. While it may hold for a while and give us additional mileage, it only defers the day when we must buy a new casing.

APPENDIX TABLE 1.—The percent of population over 65 years of age receiving old-age assistance (OAA), old-age insurance (OASI), and the average monthly assistance (OAA) payment: December 1948 by States

	Percent of population over 65 receiving		Monthly assistance payment (OAA)	
	Assistance (OAA) <sup>1</sup>	Insurance (OASI) <sup>2</sup>	December 1948 <sup>3</sup>	June 1949 <sup>4</sup>
	Percent	Percent		
United States average.....	22.8	13.3	\$42.02	\$43.60
Louisiana.....	79.1	8.6	47.02	47.05
Oklahoma.....	59.3	6.7	51.69	52.10
Georgia.....	51.9	8.5	20.38	20.54
Texas.....	49.3	7.8	33.90	34.23
Colorado.....	46.4	11.2	78.18	67.08
Alabama.....	46.3	10.2	22.58	22.61
Mississippi.....	43.9	4.9	16.38	18.80
Arkansas.....	43.9	7.2	20.99	20.95
South Carolina.....	39.7	8.8	24.18	24.70
Washington.....	34.9	17.4	60.85	67.11
Florida.....	34.4	14.6	39.80	40.19
New Mexico.....	34.0	6.6	33.10	34.22
Missouri.....	31.0	9.6	41.97	42.57
Arizona.....	29.6	11.1	52.24	54.86
Idaho.....	28.4	10.1	46.28	46.57
Tennessee.....	27.0	7.5	26.56	27.15
Utah.....	26.3	11.5	50.38	50.27
North Carolina.....	25.9	8.8	20.44	21.55
Kentucky.....	25.5	8.4	20.72	20.83
California.....	25.1	15.3	61.16	70.55
Wyoming.....	24.7	10.0	56.40	55.63
Montana.....	23.6	9.7	44.84	44.93
Nevada.....	23.0	12.1	53.97	54.05
South Dakota.....	22.9	4.5	36.94	38.02
Minnesota.....	21.9	9.1	45.95	47.15
Michigan.....	21.8	14.8	42.30	42.88
Massachusetts.....	21.2	19.1	61.48	61.13
Kansas.....	20.3	8.2	42.72	50.10
Oregon.....	19.7	18.5	47.46	48.21
Nebraska.....	19.5	6.6	41.55	42.00
Ohio.....	19.3	15.4	46.60	46.72
West Virginia.....	19.0	13.4	20.68	21.35
North Dakota.....	18.9	3.6	44.61	46.56
Iowa.....	18.7	7.4	47.16	48.08
Illinois.....	18.0	13.8	42.18	44.87
Vermont.....	17.5	12.6	34.94	32.13
Wisconsin.....	16.6	11.7	40.71	41.60
Maine.....	15.9	17.3	34.23	41.34
Indiana.....	15.4	13.2	34.21	35.22
Rhode Island.....	14.3	22.7	43.21	45.04
New Hampshire.....	12.9	16.6	42.68	43.48
Hawaii.....	12.2	n. a.	34.37	35.33
Pennsylvania.....	10.7	17.8	39.70	40.01
Connecticut.....	9.9	20.1	53.93	54.01
New York.....	9.7	16.4	53.84	52.74
Virginia.....	9.4	10.2	19.58	20.28
Maryland.....	8.1	13.8	36.40	36.88
New Jersey.....	6.7	19.2	44.12	47.80
Delaware.....	5.8	16.4	27.58	28.06
District of Columbia.....	4.7	10.3	42.72	41.67

<sup>1</sup> U. S. Congress, Hearings on H. R. 2892 before the Committee on Ways and Means, House of Representatives, 81st Cong., 1st sess., p. 5.

<sup>2</sup> Same, p. 1171.

<sup>3</sup> Same, p. 62.

<sup>4</sup> U. S. Congress, House of Representatives, 81st Cong., 1st sess., H. Rept. No. 1300 on H. R. 6000, p. 39.

APPENDIX TABLE 2.—Comparison of the monthly benefits under the present law and under H. R. 6000

Average monthly wage <sup>2</sup>	INSURED WORKER COVERED 10 YEARS <sup>1</sup>			
	Present law		H. R. 6000	
	Single	Married	Single	Married
\$50.....	\$22	\$33	\$26	\$39
\$100.....	28	41	52	79
\$200.....	38	58	63	94
\$250.....	44	66	68	102
\$300.....	44	66	74	110

  

Average monthly wage <sup>2</sup>	INSURED WORKER COVERED 20 YEARS <sup>1</sup>			
	Present law		H. R. 6000	
	Single	Married	Single	Married
\$50.....	\$24	\$36	\$28	\$40
\$100.....	30	45	55	80
\$200.....	42	63	66	99
\$250.....	48	72	72	107
\$300.....	48	72	77	116

  

Average monthly wage <sup>2</sup>	INSURED WORKER COVERED 40 YEARS <sup>1</sup>			
	Present law		H. R. 6000	
	Single	Married	Single	Married
\$50.....	\$28	\$40	\$30	\$40
\$100.....	35	52	60	80
\$200.....	49	74	72	103
\$250.....	56	84	78	117
\$300.....	56	84	84	126

<sup>1</sup> Continuous coverage is assumed in the table. If the employment period was 10 years out of a possible 15, or 20 years out of a possible 30, etc., the benefit would be reduced roughly by one-third. See pp. 9-10 for the effect of the continuity of employment.

<sup>2</sup> H. R. 6000 provides for a new definition of average monthly wage which in general will produce a higher monthly wage from a worker's employment history.

Source: U. S. Congress, House of Representatives, 81st Cong., 1st sess., H. Rept. 1300 on H. R. 6000, p. 21.

#### ERECTION OF BUST IN MEMORY OF J. W. FLANAGAN, AT CARTAGENA, COLOMBIA

Mr. PEPPER. Mr. President, when an American business man who has had some 20 years of active life in a foreign country, so conducts himself, although at the head of a great American business enterprise, that the people among whom he has labored love him and esteem him so much that they will themselves, through their Chamber of Commerce, erect a bust in one of the prominent parks of a great city in his honor, it is a credit to that man and to American business enterprise abroad and the way it has been conducted.

Recently at the city of Cartagena, in Colombia, a bust was erected by a grateful people to an old friend of theirs and a distinguished American citizen, James W. Flanagan, a citizen of Texas, who served illustriously in the Spanish-American War, and who has been a great credit to his own country.

I have had the privilege of a long friendship with him. At one time he was a resident also of Florida. Now he has gone back to his native State of Texas. He is well known to many Members of the Senate. He is an old and very treasured friend of the senior Senator from Texas [Mr. CONNALLY], the chairman of the Foreign Relations Committee who was obliged to leave the Senate Chamber, and who asked to associate himself with these remarks.

Mr. President, I ask unanimous consent to have printed in the RECORD the clippings, in English translation, from the newspapers of Colombia in tribute to Colonel Flanagan and in reference to this very significant ceremony.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the Diario de la Costa, Cartagena, Colombia, August 10, 1949]

Mr. J. W. Flanagan, a North American gentleman who is a very dear friend of Cartagena, will arrive today.

Since the year 1920 he has visited the country, and especially Cartagena, in his negotiations for the establishment of oil businesses in Colombia. The tradition of our city, its legends, and history attracted him, and when the companies Tropical and Andian were already in full activity in our midst, with great foresight he gave the land where the Hotel del Caribe was constructed and donated the first 10,000 pesos for its construction. With very keen view Colonel Flanagan understood the future of Cartagena, has always shown a splendid generosity in all its projects. The municipal council declared him its adoptive son.

The chamber of commerce arranged for the erection of a bust where the memory of its benefactor, of its adoptive son who presented the city with the greatest gift it has ever received, will be perpetuated for the inhabitants of Cartagena.

He has the military rank of colonel, earned in Europe during the war of 1914, fighting for his country and for the ideals of humanity.

A man of wide business connections, he has also a great heart always open to those who know him, and when he can be called friend he is one to such an extent that it surpasses any thoughts that may be had on friendship.

Diario de la Costa registers with pleasure the presence of this illustrious visitor in Cartagena, wishing him many happy moments among the friends who love him.

[From the Diario de la Costa, Cartagena, Colombia, August 11, 1949]

#### SELF-MADE

Very few lives are so full as that of Colonel Flanagan, visitor and benefactor of Cartagena. A typical North American life; only there is a man of work appreciated. Born in a home of hard workers, he made himself independent through his own efforts to attend to his own life.

Thus he undertook different activities. Among others, he was a locomotive mechanic between California and northern United States. We cannot imagine an individual who worked harder or with heavier responsibilities. Mechanic-conductor in a railroad carrying hurrying men, who need every minute as though they were years.

Thus, knowing the hardest toil, the greatest responsibilities, he joined the oil companies that were coming to Latin America in search of lands for exploitation.

Thus he arrived in Colombia. He discovered many places and fell in love with Cartagena. This dormant, quiet city, forgetful of the present, loving only its past, presented to him unknown charms. Residing at the Hotel Americano, he paced the central streets when the city of the second decade of this century slept; he stopped to listen to the lost notes of mysterious pianos which let softly escape the anxieties of the old residences, where their melodies seemed lamentations from another world.

He became acquainted with people of the locality, visited homes, made inquiries of its customs, lived its life, and learned to sleep without misgiving in his hotel room, to live unhurried in the city, where a business talk was always put off for a month until it was thought over.



While other sections of the country were trying to convince him of the advantages he would find there for the establishment of the pipe-line terminal, in love with Cartagena, he decided to remain for some time and enjoy the peaceful quiet it offered him.

Cartagena, with its port at Mamonal, was selected as the line terminal. The period of progress and advancement for Cartagena dates back to the establishment of the business of the Andian National in Cartagena and its pipe-line terminal in Mamonal. The great sums of money which had never before been employed in the construction of anything here brought work to the people, and movement of the millions that flowed under its virgin earth, and great business dealings with North America. The modern district of Bocagrande, the Hotel del Caribe, the land for which was a gift of the company, and the first funds for its construction donated by Colonel Flanagan, the development of its port activities, the boost of its commercial activities, the human effort of foreign families established here to give new civilized life to the city, all this represents Col. James W. Flanagan.

Today, after eight decades of agitated life, ennobled by work, by continued use of the most distinguished human virtues, by the exercise of his Catholic religion, he comes to reminisce, to relive moments, to pray before the graves of so many deceased friends, to recall old times, always better than the present, but in this case even more so.

You will find here, Colonel Flanagan, the same, your Cartagena, that of your dreams as an industrialist, of your old friendly memories, of the street urchins running after a "Gringo" to hear him speak English. Your country is now so familiar with Cartagena that we must defend it in order not to lose its character which once captivated you. The street urchins now speak in English to the Gringos that continually visit here. The Hotel del Caribe which you once conceived and planned as a beautiful residence is a beautiful dream of progress come true. The pianos are now silent because the record players and radios from your country have brought the waves of the most renowned European pianists. Nevertheless, of a night you will find, Colonel Flanagan, someone who still dreams, who still lives on memories and who will always be grateful for all that your love, that your heart did for Cartagena, for the old Cartagena of noisy streets and urchins agast before the Gringo.

There is your work. There are your dreams, there is your innermost glory.

[From El Diario De La Costa, Cartagena, August 12, 1949]

**TRIBUTE PAID BY THE COUNCIL TO CAPT. J. W. FLANAGAN.—EXCERPT FROM THE MINUTES OF THE SESSION**

We publish hereunder an excerpt from the minutes of the Cartagena Municipal Council referring to the session in which this city paid tribute to Capt. J. W. Flanagan on March 21, 1932. The pertinent part reads as follows:

"Councilman Portela Roman together with Councilman Tono propose: 'Vary the order of the day and consider the following proposed resolution No. 9: The Municipal Council of Cartagena, considering: That Capt. J. W. Flanagan has contributed to the successful negotiation for the construction of new piers for Cartagena. That the captain himself has on several occasions given proofs of his interest in this city, and, that it is in order that the representative corporations of the people publicly record the gratitude of the people for the demonstration of appreciation shown by private persons or entities, *Resolves*, To manifest to Capt. J. W. Flanagan and to the company of which he is the worthy president, the sentiments of gratitude of the people of Cartagena for the important

services which said captain and his company have rendered to this city with their valuable moral and monetary aid in connection with the construction of the new piers for Cartagena. This resolution shall be forwarded by air mail to Capt. Flanagan, at present in Toronto, Canada, and a copy shall be sent to the general manager of the Andian National Corp. in this city. Further, it shall be published by posters, Cartagena, March 21, 1932.'

"At the first secret voting Councilmen Mercado and Portela Roman announced that it had been unanimously approved. When the proposal was open to discussion Councilman Caballero Carbarcas, using the floor, announced his negative vote because they were acknowledging the assistance rendered the city through the loan of 1,000,000 pesos for the construction of the new piers and that he understood this attitude to be part of the imperialistic plan of the North and that he (Caballero) had a right to oppose it. Councilman Portela Roman defended the motion explaining that they were only doing what banking and commercial concerns in the city had done and that this construction work would assist many workmen who were out of work. (Entrance of the municipal treasurer.) Councilman Tono expressed his agreement with everything said by Councilman Portela Roman. Having closed the discussion, it was approved. Councilman Lorduy requested a check on same, which confirmed the approval by ten affirmative votes against one negative, that of Councilman Caballero Carbarcas.

**SPEECH DELIVERED BY MRS. EMMA VILLA DE ESCALLON IN A CEREMONY WHICH TOOK PLACE YESTERDAY TO UNVEIL COL. JAMES W. FLANAGAN BRONZE BUST**

It is the desire of the honorable chamber of commerce to start a tradition as this is the first time that a woman is designated to deliver the statue of a benefactor and a very dear friend.

It is the belief of this institution that only a woman's words can express truly, discreetly, and precisely our deep gratitude.

It happened during the second decade of the nineteenth hundreds. Cartagena slept placidly in its glorious past. Her sons had fought pirates, and the bravery of her men made Bolivar, the great liberator, exclaim, "If Caracas gave me birth, Cartagena gave me glory." The Cartagenos were living in these past glories and forgetting the progress of the city.

It was at this time that James W. Flanagan arrived. The city enchanted him and at the same time the most modern machineries that Cartagenos had ever seen started coming; towns were founded; and buildings that seemed eager to reach heaven, were constructed. People who were active, hurrying and constantly working started arriving and made the Cartagenos active and willing to work. Black gold together with yellow gold started to circulate in the old, historic city.

It was an era of progress. Today Cartagena can look fearlessly to her future as a result of the era started by James W. Flanagan.

Cartagena, represented by its honorable chamber of commerce, offers you this bronze bust. Let us unveil it, so that it, in place of the man it represents, will always be at our side cooperating toward the progress of our city.

Colonel Flanagan, here side by side with the Caribbean, admiring this modern avenue under the most beautiful sky of all America, beneath murmuring palm trees, you shall live forever in the hearts of all the Cartagenos.

**VALUABLE GIFT TO THE PASTOR**

Col. James W. Flanagan, wishing to join in the celebrations on occasion of the silver

Episcopal anniversary of His Excellency the Archbishop of this Archdiocese, sent him, together with a very courteous and respectful letter of salutation, the amount of 1,000 pesos to assist in the pastor's trip to Rome.

His Excellency the Archbishop replied to his kind letter and generous gift offering special benedictions on this Catholic who so kindly joined in the social celebrations.

Gestures such as this one of legitimate appreciation for his church and its representatives are very rare, and we rejoice with the illustrious receiver of the gift.

[From the Diario De La Costa of August 14, 1949]

Country Club of Cartagena invites you to the ceremony of the unveiling of the bust of Col. James W. Flanagan, honorary president of the club, which will take place on Tuesday, August 16, at 5 p. m. in the park in front of the Hotel del Caribe in Bocagrande.

[From the Diaria de la Costa of August 14, 1949]

Cartagena's chamber of commerce invites the merchants and citizens in general to the inauguration of the bust of Col. J. W. Flanagan, which will take place on Tuesday, August 16, at 5 p. m. in the gardens in front of Hotel del Caribe as an homage of affection for the services given to Cartagena by this distinguished citizen.

[From El Tempo, Bogotá, Colombia, August 12 1949]

**COL. J. W. FLANAGAN**

After many years of absence Col. James W. Flanagan has arrived in the country for a short visit. He is an American magnate who is retired from petroleum activities which have occupied him most of his long life of business. Colonel Flanagan was president of the International Petroleum Co., also of the Imperial Oil Co. and of the Andian National Corp., Ltd. This latter company is the builder of the public pipe line which joins Barranquilla with Mamonal in Cartagena (400 kilometers) which work was contracted by Colonel Flanagan himself in 1923. Colonel Flanagan has been one of the most constant and loyal friends of Colombia and his intervention in political and financial circles of Washington and New York in benefit of our country was always especially favorable which justified the grant of the Cruz de Boyacá by the Colombian Government some years ago. But his main interest and affection has been for Cartagena, which has declared him with good reason "adoptive son." Owing to the enthusiasm and to the generosity of Colonel Flanagan the city has the modern suburb of Bocagrande, where the Hotel del Caribe is located, and due to his suggestions the completion by Frederick Snark Corp. of the terminals and port facilities, as other public works of the city, with the financial help of the Andian. There, in the beautiful suburb of Bocagrande, located between the harbor and the sea, the gratefulness of the Cartagenos will be made everlasting with the erection of a bust of the colonel which will be inaugurated during his visit to Cartagena. We present to Colonel Flanagan, who will be coming to Bogotá next week, our sincere greetings and hope that his stay in Colombia will be especially pleasing to him.

[From El Liberal, Bogotá, August 20, 1949]  
**HE WAS PRESENT AT THE DEDICATION OF HIS STATUE**

After assisting in Cartagena at the inauguration of his own bust, Colonel Flanagan, a great friend of Colombia, who has carried out a well known campaign in benefit of the country, arrived in Bogotá, stopping at the Hotel Continental. There he was surprised yesterday afternoon by one of our

photographers while he inhaled his favorite pipe, throwing aside his eye glasses.

**SIMPLE AND BEAUTIFUL CEREMONY TOOK PLACE YESTERDAY AFTERNOON IN THIS CITY—IN A SOLEMN CEREMONY THE HONORABLE CHAMBER OF COMMERCE UNVEILS A BRONZE BUST OF COLONEL FLANAGAN**

A solemn ceremony for the unveiling of a bronze bust, with which the city of Cartagena renders homage of affection and sympathy to its benefactor Col. James W. Flanagan, took place yesterday at 5 p. m. at Central Avenue in front of the Hotel del Caribe.

The President of the Chamber of Commerce, Mr. Rafael del Castillo, arrived in his car together with Colonel Flanagan. A delegation from the naval base paid military honors and the naval base band played a symbolic hymn in honor of the distinguished guest.

Mrs. Emma Villa de Escallón was designated by the Chamber of Commerce to deliver the unveiling speech. Colonel Flanagan answered with deep emotion and sincere appreciation of the honors paid him.

Mrs. Laurina Emiliani de Martinez then proceeded to unveil the statue. Shortly afterwards, the President of the Chamber of Commerce invited all present, among which were the Governor, the mayor, the commander of the naval base, to a champagne toast at the Hotel del Caribe in honor of Colonel Flanagan.

We are publishing a few photographs of this beautiful ceremony organized by the Honorable Chamber of Commerce of Cartagena in honor of its adopted son.

[From El Universal, Cartagena, Colombia, August 17, 1949]

**THE BUST OF COLONEL FLANAGAN WAS UNVEILED YESTERDAY—SPEECHES AND MILITARY HONORS BY SECTIONS OF THE NAVAL BASE**

Yesterday during the late afternoon took place the ceremony organized by the chamber of commerce and other distinguished elements of the city in honor of Colonel Flanagan, illustrious son of North America and great benefactor of Cartagena, which has counted him for several years among its favorite friends and from whom it has received marked proof of appreciation among which stands out his valuable cooperation in several works of urban progress which are now a reality. The ceremony to which we refer was the unveiling of an artistic bust of Colonel Flanagan erected on one of the gardens facing the Hotel del Caribe, as an eloquent symbol of the gratitude of our city to the distinguished American citizen. This work was done by the well-known American artist Florence Darnault, and its pedestal bears the following legend: "Cartagena to its adopted son J. W. Flanagan."

**THE CEREMONY**

Shortly before the ceremony the following persons arrived at the appointed place: The Governor of the Department, Dr. Ramon P. de Hoyos and his private secretary, Dr. Francisco Seba Patron; Dr. Alberto H. Torres and senora; Mr. and Mrs. C. T. Armstrong and daughter; Sr. Henrique Lecompte, Jr.; Sr. Henrique Piñeres and senora; Sr. Roberto Lequerica and senora; Sr. Enrique Mendez Polanco; the mayor of the city, Don Ignacio de Villarreal Franco; Sr. Teófilo Barbur; Sr. Juan Cuesta; Sr. Antonio Bustillo Franco, secretary of the chamber of commerce; Sr. Augusto Tono and senora; Sr. Miguel A. Valiente and senora; Sr. Raimundo Emiliani and senora; Sr. Antonio Lequerica and senora. There were also present the director of the naval base, Capt. Demetrio Salamanca; Capt. Antonio J. Tanco, and other naval officers; Messrs. Manuel Esteban Pomares and Jorge Franco Muneral from El Universal; the correspondent from El Tiempo, Sr. Pablo Emilio Nieto; the correspondent from El Espectador,

Sr. Lacides Orozco. The naval base band and many other persons were also present.

**ARRIVAL OF MR. FLANAGAN**

Mr. Flanagan arrived in company with Don Vicente Martinez Martelo and his senora, Senora Emma de Escallon, Sr. Rafael del Castillo, president of the chamber of commerce, and senora, the Navy Queen, Norma Escallon Villa. As a cordial salutation to the adoptive son of Cartagena the public warmly applauded his arrival.

Then Mr. Flanagan and his companions went near the bust, and Senora Emma de Escallon, previously appointed to present the tribute, delivered a cordial and warm speech, meriting repeated applause. Doña Laurina Emiliani de Martinez unveiled the bronze effigy of the fervent admirer of Cartagena, at the moment when Doña Emma pronounced the final words of her speech.

When the applause for Senora Escallon had subsided, Mr. Flanagan expressed his appreciation for the warm tribute in a few sincere words which were received with enthusiastic applause.

Then the naval base band played a hymn and the armed forces present rendered honors to the colonel, Mr. Flanagan, who watched this patriotic ceremony with solemn respect, which made even more manifest his affection and friendship for Cartagena and our country.

Thus ended the tribute to Colonel Flanagan, with which the chamber of commerce has honored this distinguished son of the northern Republic and a just acknowledgment of his benefits to Cartagena.

Mr. MILLIKIN. Mr. President, will the Senator yield so I may identify myself with what the Senator has just said about Colonel Flanagan?

Mr. PEPPER. Yes; I yield.

Mr. MILLIKIN. I am glad the Senator from Florida got over his unfortunate aphasia so far as the Eightieth Congress is concerned, and gave his very fine tribute to Colonel Flanagan. I have been associated with Colonel Flanagan over a long period of years. During most of that time he was a resident of Denver, Colo., where he was an excellent citizen, highly esteemed. He is a very adventurous man, possesses an extremely interesting and attractive personality and has a record of great accomplishment. As the Senator has so well pointed out, Colonel Flanagan carried the finest Americanism with him to the countries to the south of us. This token, which has been put up in admiration of him by Cartagena, is, I am certain, very well deserved.

I thank the Senator from Florida.

Mr. LUCAS obtained the floor.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

**THE CHINESE SITUATION**

Mr. MORSE. Mr. President, I had intended to make two additional speeches in this session of the Eighty-first Congress, but I shall forego that pleasure. Nevertheless, I want to make just a few brief remarks on the subject matter of those speeches.

The first one was to be on the subject of the Chinese situation. That speech was going to be built around a very able address which Roger D. Lapham, chief of the ECA mission to China, delivered before the Commonwealth Club of California in San Francisco on September 8, 1949. In that speech he said the col-

lapse of China was due not only to the military defeat suffered, but also to China's failure to institute reforms behind the front lines or to make even a half-hearted or intelligent attempt to decrease its budget deficit. He said that the success of the Communists can be largely attributed to the weakness and incompetence of the Kuomintang government headed by the generalissimo.

I had intended, Mr. President, to discuss Mr. Lapham's speech in detail and read its entire contents into the Record. Without taking the time to do it now, because I think the paragraph which I have referred to goes to the very thesis of the speech I intended to make, I ask unanimous consent to have Mr. Lapham's speech printed at this point in the Record as a part of my remarks, and really as a substitute for the speech I had intended to make.

There being no objection, the address of Roger D. Lapham was ordered to be printed in the Record, as follows:

**THE CHINESE SITUATION AS I SAW IT**

Mr. Chairman, members and guests of the Commonwealth Club; this is my first public talk on China since I resigned as chief of the ECA mission to that country on June 30.

I am no old China hand—nor do I claim that my year in China qualifies me to speak as an expert. But the job I held brought me in direct contact not only with top-side China Government officials, but with many Chinese in all walks of life, and in widely different parts of that huge country where I traveled over 30,000 miles by air, ranging from Mukden to Canton and from Chungking to Formosa in a little less than a year.

Our mission's task was the proper supervision of the spending of \$275,000,000 voted by Congress for economic aid, but we had no responsibility for, nor supervision of, the \$125,000,000 for military aid authorized by Congress at the same time; the disbursal of those moneys was left entirely to the discretion of the Chinese Nationalist Government.

In the Foreign Assistance Act of April 3, 1948, Congress directed that the funds later appropriated be used in support of the Republic of China; the Nationalist Government headed by Chiang Kai-shek. It further required the chief of the China mission to keep in close touch with Ambassador Stuart in order that our activities should in no way conflict with our foreign policy objectives with respect to China. Not only was our mission in constant touch with our Embassy in Nanking, with Admiral Badger, commanding our naval forces in the Far East, and with the military attachés assigned to our Embassy, but our eight regional offices were in daily contact with our consul-generals stationed in their areas. We were also fortunate enough to receive much valuable assistance and advice from American businessmen, medical missionaries and others who had lived in China for many years, and understood local conditions far better than we did.

The funds allotted us were spent primarily for food, cotton, and petroleum products. In six of the larger cities we rationed a certain amount of rice, wheat, or flour to every inhabitant—man, woman, or child. This food was sold and paid for in Chinese currency at a price below that of the open market. Enough raw cotton was supplied to the textile mills in Tientsin, Tsingtao, and Shanghai, to take care of more than 50 percent of the yarn and cloth produced; this was also sold, and the proceeds used to purchase more cotton. Fuel oil and gasoline were supplied for civilian purposes, to keep essential



power plants going, and for other industrial uses.

We had planned to spend money for a reconstruction and replacement program—rebuilding railroads, building additional power plants, modernizing coal mines, and for various other necessary projects in different parts of China. But practically none of the funds allocated for this purpose were spent, when it became apparent that the Communists were likely to occupy most of China by the time any work could be started, let alone completed.

I have said that I am no old China hand, but I had been there twice before my duty with the ECA mission. In June 1937 I visited China for the first time, spending 3 weeks in Shanghai and Peiping. Conditions were generally good; the Chinese dollar was well stabilized, and the exchange rate was Chinese \$3 to US\$1. Shanghai was then an international settlement, trade was flourishing, and everything was high, wide, and handsome—save for one cloud on the horizon. Everyone expected Japan to move in. The hope constantly expressed was "Give us a few more years to get ready." Chiang Kai-shek was at the height of his popularity, and was working hard to unify his country.

I do not need to go into the tragic events of the next 12 years in China at any great length. From 1937 to 1941 Japan was not only conquering a great part of China, but was also rushing preparations for a greater war; and the United States did little or nothing to check her, refusing even to embargo shipments of scrap iron and other strategic materials destined for Japan.

I visited China again on a trip around the world in June 1947, spending 2 days in Shanghai. At that time US\$1 could purchase Chinese \$50,000; a year previous the exchange rate was Chinese \$2,000 to US\$1. American business men I talked to were pessimistic with regard to China's future, and felt the Nationalist Government could not last another 6 months unless aggressive and affirmative steps were taken to clean house, start reforms, and establish a sound currency. And speaking of currency inflation, when I arrived in China June 7, 1948, US\$1 could purchase \$1,400,000 Chinese. On August 19 it could purchase \$12,000,000 Chinese. It was then that the government initiated its so-called currency reforms—issuing new gold yuan notes, and fixing the rate of gold yuan 4 to US\$1. At the same time prices and wages were frozen by decree, and everyone was urged and required to turn in their gold, silver, and foreign exchange for the new gold yuan notes. Eight months later this new currency was worthless and the Chinese had pretty well lost all confidence in the Nationalist Government.

The collapse of the government was due not only to the military defeats it suffered, but also to its failure to institute reforms behind the front lines; to make even a half-hearted or intelligent attempt to decrease its budget deficit. The success of the Communists can be largely attributed to the weakness and incompetence of the Kuomintang government headed by the generalissimo.

In making these drastic statements, I do so with the full knowledge that credit is due Chiang Kai-shek for retaining control of such a loosely knit country as China for over 20 years. I give him credit for his refusal of opportunities to sell out his country to the Japanese; and I give him credit for opposing the ideologies of Moscow communism. But the good work a man did yesterday cannot offset his failures of today, and the fact remains that the generalissimo is a stubborn, obstinate man, who refused to delegate authority, who relied on incompetent favorites for many of his subordinates, and who put on the shelf competent military men who could have helped him. Not only is he responsible for the defeat of the military front, but as I have already said, he can largely be blamed for the failure on the economic front.

Lacking first-hand knowledge in this field, he did little or nothing to establish civil reforms, or to take effective steps to offset the well-planned operations and propaganda of the Communists. He made little effort to find the right people who could have helped in this field, and those he did use were largely "yes men," unwilling to assert themselves, or perhaps even to tell him the truth.

General Marshall, as you will recall, spent the year 1946 in China attempting unsuccessfully to bring the Nationalists and Communists together in a coalition government. And here, by way of comment, our efforts to bring about a coalition government were undoubtedly induced by the feeling generally held at that time, that any differences of opinion between Russia and the United States could be ironed out by sitting down at a conference table, and as reasonable men on a give and take basis, reach a reasonable and mutual understanding. The actions of Moscow leadership since then have demonstrated how far off the beam we were. But our policy with respect to China was based on that erroneous assumption—we got off on the wrong track—and have never since admitted our mistake, either publicly or officially.

Early in 1947 Marshall became Secretary of State, and in June of that year laid down the principles of the Marshall plan. I believe that when the Secretary first advocated this plan, he was thinking not of China, but of Europe, as his public statement of January 7, 1947, made at the time he left China, clearly indicates how hopeless he felt the Chinese political situation then was, and seems to imply that he felt that our best policy would be to let the Chinese people work out their own salvation. When Secretary Marshall submitted his recommendation for economic aid to China—\$550,000,000—in February 1948, my guess is that he did so mainly for political expediency; for it was certainly an about-face from his previously implied opinion of "A plague on both your houses." But he knew that many Members of Congress wanted to aid China, and perhaps he felt it wise to advocate something for China, if only to make the going easier for congressional approval of his European recovery plan. I may be wrong—but it is hard not to believe that the policy of "Let the fires burn out and the dust settle" has been the real policy of our State Department toward China ever since Marshall left that country early in 1947.

One thing stands out today—American influence in China is far, far less than it was on VJ-day. Who is responsible for this loss of influence, and what might have been done which wasn't done can be debated indefinitely. Our mission did all that it could be reasonably expected to do to carry out the general objectives laid down by Congress—viz: to strengthen and assist the Republic of China controlled by the Kuomintang Party, but the handicap was too great. I have referred at times to the mission as a successful failure, but that is really a misnomer; for what we were doing was fighting a rear-guard action against tough odds with a staff which at no time numbered more than 100 Americans, and 400 non-Americans, mostly Chinese, distributed among the eight cities where we operated.<sup>1</sup> The termination of the mission was due to factors entirely outside of its control—those which I have already mentioned—the incompetence of the Chinese Government, the depreciation of the currency, and the lack of will-to-fight manifested by the Chinese Nationalist troops—and to this list I must add one other factor; our American policy as enunciated by Congress was to support the Nationalist Government, and so in effect the United States took part in a Chinese civil war without being will-

ing to accept the responsibility, or to commit itself to the extent that was necessary to make this policy effective. The result is of course apparent; the side we backed has lost every round to date, both on the military and economic fronts.

But on the credit side of the mission's ledger must be placed these material facts: we made certain that the moneys we handled were actually spent for the purposes intended; we still have at least \$50,000,000 of the original grant left, which will be returned to the Treasury by February 15, 1950<sup>2</sup>—the time ECA has left to spend it, unless conditions in China change so drastically within the next few months that it can be used for its original purpose; we were able to avert serious rioting in several cities by the procurement of food at critical periods, we maintained employment in the textile mills, and I do not feel that the funds spent or the tremendous efforts made have been wasted.

And in addition to these material facts there were certain intangibles which are hard to describe but no less important. Among these I would name the respect for the honesty of purpose and integrity gained for our group from all the organizations with whom we dealt, and the real friendship of many high-class and truly patriotic Chinese. Among the latter I would like to speak of Wong-Wen-Hao, the former premier; of General Fu-Tso-Yi who did his best to hold North China, and of K. C. Wu, mayor of Shanghai, acting under circumstances of the utmost difficulty with the greatest intelligence and cooperation. He and I often compared notes on the problems one faced as mayor of a great city. I must also mention Li Tsung-jen the acting president and president in name only as Chiang Kai-shek refused to release to him either power or funds with which to make an effective stand against the Communist offensive. When Chiang entered retirement—and an extremely active retirement it was—on January 21 last, he continued to exercise effective control behind the scenes. He kept possession of the Nationalist cash box, and many important military and civilian leaders, including many reactionary members of the Kuomintang party still seek and accept his guidance.

The Chinese by and large are a great people. Can we blame them if they are tired and sick of war after 12 years of it? It seems to me I remember there was quite a hue and cry to get our boys home for Christmas after 4 years of fighting. When the Japanese invaded their homeland, the Chinese resisted the foreigner; when the Chinese moved their capital from Nanking to Chungking, they did a magnificent job in transporting factories and machinery, and establishing an industrial center in Szechuan. But when the Japanese war was over and the Chinese reoccupied their homeland, a natural let down followed. The struggle for control between the Nationalists and the Communists has been a civil War, and conditions were very different from when they were fighting a foreign enemy. For centuries the Chinese peasant has struggled to grow enough food to live on. The great majority of them are more interested in where their next meal is coming from than they are in what party controls their central government. But never forget this—the Chinese have a great sense of humor, and I honestly do not believe you can sell Moscow ideology to a people who possess that trait. Have you ever seen a Communist who could laugh at himself? I haven't, but poor as they are and hungry as they are, the Chinese can and do laugh at themselves.

Let me tell you of one little incident. My wife was visiting a Chinese refugee home and school in Canton one day. It is financed

<sup>1</sup> Today only 19 Americans remain with the ECA in China and probably not over 75 non-Americans are left on the mission's pay roll there.

<sup>2</sup> This is an underestimate—chances are \$75,000,000 or more will be returned to the United States Treasury out of the \$275,000,000 appropriated for economic aid.

and operated by Chinese for war orphans, and they feed, train, and teach over 100 children in what remains of a bombed out American mission school. The older boys make plates, cups, and saucers out of discarded tin cans retrieved from garbage heaps. The older girls reknit old, worn wool from sweaters or other articles which have been thrown away, to make warm socks for the younger children. It was raining that day, so all the children were under partial shelter. One group of younger teen-age boys were practicing on band instruments which some visiting American had obtained for them from a famous American company. When she first saw them they were playing the Hymn of Joy theme from the Beethoven Ninth Symphony. Ragged and hungry—they have only two meals of rice and vegetables a day—they were playing the Hymn of Joy. They saw her, finished their piece, the leader with a shy smile and a twinkle in his eye, tapped twice with his drumstick, and they burst into Yankee Doodle. Do you wonder that tears came into her eyes and a choke into her throat?

Aside from their sense of humor the Chinese have long memories, and in spite of the fact that they have been exploited by their own Government for centuries, taxed to the point of diminishing returns, forced by foreign governments to give up their treaty ports as well as making other tremendous concessions to them, the work of many Americans who, with no ulterior motives, have spent their lives among them has not been without far-reaching effect. Someday—even though in the now unpredictable future—the dust will settle, and I am certain that the efforts of our schools, our colleges, and our unselfish missionary workers will not have been in vain.

Now—so much for the past and present, but what of the future? The two questions I am most frequently asked are: "Is there a government in China that it is worth our while to support today?" and—second—if not, What should American policy be from here on in? Many Americans still want to support Chiang Kai-shek; his name is an anti-Communist symbol. He was our ally, the Chinese Christian leader in World War II. But I must reiterate my personal conviction that any leader who has lost as much of the confidence of his people as he has in the recent past, is not the man to back today. I have heard that the Generalissimo believes that a war between Russia and the United States is inevitable; and that, if he can hang on until that takes place, he is bound to receive our military support. If war with Russia should develop, and we need China's aid—let us not back a Chinese leader who has lost the confidence of his people.

Whom then, should we choose? The Acting President Li Tsung-jen? I believe he is sincere and honest, and does represent the more liberal elements in the Kuomintang. Perhaps he could rise to the occasion, but to date there has been little to indicate that he can lead a successful war against the Chinese Communists.

Are we going to search for and pick some relatively unknown leader and place our bets on him? Are we going out of our way to back any untried leader or group, so that the Chinese Communists can advertise to the world that such a leader is the hand-picked puppet of imperialist United States? Personally I cannot advocate that; but one thing is certain—we should not again make the mistake which we made a year ago, when the Congress appropriated \$125,000,000 for military aid to China to be used without restrictions and solely as the Nationalist Government directed. That was a grave mistake. If military aid is again given, then we should assume full supervision and control over its end use. This \$125,000,000 can be considered as thrown down the rat hole. The Nationalist allocation of those funds to the dif-

ferent branches of their military forces was, to say the least, most unwise. There seemed to be no disposition in Washington in any way to influence a proper allocation of these moneys or, for that matter, to do the utmost to expedite shipments of the munitions ordered. As long as the Congress had voted this sum, the Administration had some implied responsibility to see the best and quickest use was made of it.

Although I believe that military aid would have been the most effective means of combating Chinese communism in the past, I am convinced that the granting of such aid is neither practical nor feasible at this time. Nor do I think that we should today try to pick any Chinese leader or leaders, backing them with military assistance even under our supervision and control. If new leaders are to arise in China to carry the banner against the Communists, they must arise by their own power and first demonstrate their fitness, before we help them. I see nothing else to do now but to abandon any thought of military help either to Chiang Kai-shek, Li Tsung-jen, or any other anti-Communist as now known. What we should do a year, 3 years, or 5 years hence, is another matter and should be decided in the light of what the situation may be at that time.

A natural follow-up of question number two what our policy should be from now on is: "Are the Chinese Communists really Moscow-dominated or not? Or are they not progressive Chinese interested in land reform, and trying to improve the lot of the Chinese peasant?" On the answer to this, hinges the answer to our future policy toward China. I have had no personal contact with any Chinese Communist leaders, but many people of our mission have had, in previous years, as have other Americans whom I met in China. There is no doubt in my mind that the leadership of the Chinese Communists is in tune with Moscow. Certainly their strategy and tactics including their clever propaganda prove, without question, that they have been and are following the Moscow pattern. The recent statements of Moatze-tung are evidence. We can speculate plenty on whether the Communists, once they are really established, will not turn out to be more Chinese and antiforeign than tools of Moscow, but we must face realities and not indulge in wishful thinking. In all probability the Communists will control most, if not all, of the mainland whenever they see fit to take it. Their government will be one unfriendly to the United States. This is understandable if you recall the conflicting policies we have followed in dealing with the Chinese, and that we have been and still are backing an incompetent government which the Communists have defeated all along the line.

I have no more use for the ideologies of communism as practiced by the totalitarian Politburo of Moscow than any real American should have. I believe in the principles of the Marshall plan; and I endorse the Atlantic pact. I think the only effective way to deal with Moscow is not the way of appeasement. We must decide what principles are right to stand for—and then stand. The world outside the Russian orbit faces a clever and ruthless enemy, whose one objective is to impose and spread its ideologies as widely as possible, by whatever means are feasible at the time. History teaches that a totalitarian power, dominated by one man or a few men, never stands still. Having established arbitrary control over its own people—teaching them one viewpoint and refusing them any opportunity for accurate knowledge—a totalitarian power which will not permit its people to travel outside its boundaries or permit foreigners free opportunities to travel within its possessions, must always remain a threat to those people accustomed to individual rights and freedom of speech and religion.

The victories of the Communists on China's mainland have had a widespread and

disturbing effect on the world situation of today. The Communists control the most important part of China. Manchuria and North China, rich in coal deposits and material resources, form the backbone of the country. The psychological effect of Communist advances on the people of Japan, of countries south of China, as well as of the Philippines and of India is far reaching. Many believe that Moscow, continuously aggressive on the European flank, has been and is more interested in the spreading of its ideologies in Asia than in Europe. The western powers have centered their attention in the west and appear to have overlooked the importance of Moscow's Pacific flank. Recent happenings in China, evidenced by the shelling of British warships on the Yangtze last April, have brought plenty of loss of face not only to Britain but to the United States as well; and never forget the possibility that a few ruthless, determined men with one objective, no matter what their nationality, can in a short time entirely dominate millions of their fellow countrymen. What has happened in Russia during the past 30 years is proof of this in itself.

Certainly no one can deny that the Chinese Communists are enemies of the United States and utterly opposed to any democratic form of government. We should use every means to stop the spread of their influence and control. But, what are the means open to accomplish this objective? We are critical, and properly so, of past mistakes we have made in China policy. The policy we have followed has been a failure—results speak for themselves. It is hard not to argue that military assistance is the only effective way to oppose the Chinese Communists—but do we want to go to extreme limits? Send half a million or more men, well-trained Americans in uniform, to actually conduct a war of our own on China's mainland? Would the Congress authorize that, and the necessary funds to conduct a large-scale war? I do not think so; nor do I, personally, advocate it.

Can we conduct a successful military campaign by using only an air force? Perhaps much could be accomplished that way, for the time being; but would a successful air offensive be decisive? Would it not mean that success in the air would have to be followed by occupying ground troops? I cannot believe that the advocates of any such plan, if there are any such advocates, can persuade the Congress and the American people to follow that line.

Now let us consider the important and rich island of Formosa or Taiwan as it is now called. That island, lying between Japan and the Philippines, was largely settled by the Chinese some centuries ago; but was ceded to Japan after China lost the 1894 Sino-Japanese War. In the 50 years Japan ruled the island, she developed its resources and, although the economy was tied to Japan 100 percent, she gave the native Taiwanese a stable government and treated them with reasonable decency.

Came VJ-day and, pending the signing of a final peace treaty between Japan and the Allies, Taiwan was turned over to the Government of China, in accordance with an understanding reached at Cairo, November 1943.

The record of the 4-year Nationalist rule, during which the native Taiwanese were shamelessly exploited by carpetbagging mainlanders, is disgraceful. The first governor appointed by Chiang Kai-shek was a rapacious warlord. In February 1947, a minor incident gave him an excuse to liquidate ruthlessly some thousands of Taiwanese who had resented the treatment accorded them.

During the past 7 or 8 months, many thousands of Nationalists from the mainland have taken refuge on the island—perhaps a million or more, including some 400,000 of Nationalist military forces. There is



every indication that the reactionary elements of the Kuomintang intend to use the island as a base from which to attack the Communists on the mainland.

Some of our topside military people believe it vital to our national security that Taiwan be not occupied or controlled by a government unfriendly to us; and some advocate going to any extreme if necessary to prevent such a happening.

Technically, the future of the island cannot be decided until the Japanese peace treaty is signed; and it appears now there will be no early peace treaty.

A United Nations trusteeship for this island has been suggested; but can we expect the Soviets to agree to that? And we face the fact that outright military occupation by us would afford plenty of ammunition to Communist propaganda against so-called American imperialism; and, more important, would alienate the sympathy of millions and millions of orientals.

But the island does need our economic assistance. We might well consider spending ECA funds still uncommitted on that island for badly needed fertilizers and for capital expenditures to increase power production and to improve transportation facilities—provided a way could be found to insure that whoever controlled the government of that island would not only listen to but actually follow the directives of American advisers. This precaution must be taken to insure that our taxpayers' money would be in no way wasted—and would be spent for the benefit of the Taiwanese, and not for the benefit of reactionary mainlanders.

That approach should be thoroughly explored today.

To get back to what we can do to check or neutralize the influence of Chinese communism on the mainland.

As time goes on, the Communists will need more and more to trade with the outside world, principally through such ports as Tientsin and Shanghai. They will want to export and import, to buy and to sell. They cannot depend on Russia to supply their material needs; but Britain has many business interests in China; she still holds Hong Kong; there is every indication she intends to keep the door open in China in order to continue her trade. It seems obvious that Britain and the United States should make every effort to agree on a policy toward the Chinese Communists. It is to our mutual advantage to do so.

I do not believe that economic blockade is the right approach. Such a policy would give notice to the world that we had, on our own initiative, abandoned our Chinese friends. It would give Moscow a free field in which to operate, and to justify the oft-repeated statement that American imperialism is selfish and cares nothing for the welfare of the Chinese people as a whole. For these reasons I am opposed to an economic blockade.

America has countless Chinese friends—people of education and capacity—whom the Chinese Communists will need to employ. Their position can be immeasurably strengthened if our skill is great enough and our patience enduring. The odds are still against us; but there is still a fighting chance of our influencing the trend. If the friendship of China cannot be won—at least the animosity of leading Chinese Communists may be neutralized. In the long run, there is the chance that Russian ambition and restraints will promote antagonism on which we can capitalize.

For the present my recommendations are as follows:

1. Continue American private business with the Chinese, as far as it may be possible, in such a way as not to enhance to any dangerous degree the very limited war potential of the country.

2. Extend all possible help to American endowed enterprises—educational, medical,

and missionary—efforts being made to promote the continuation of the private support which these enterprises have received in the past.

3. Keep open our embassy and consulates in China, staffing them with the ablest personnel procurable, in order that we may pit our best capacities against the serious problems still to be faced.<sup>3</sup>

4. The only practical way to keep the door open, as well as to listen and observe what goes on behind the bamboo curtain, is to accept the fact that we may soon have to recognize in such areas as they control, the Communist government, as the de facto government, and be prepared to recognize it whether or not we like it.

The snow-balling interest in China and the problems of the entire Far East are hopeful indications that we are aroused to the dangers and the difficulties confronting us in those areas. This is a dark hour for China; but the Chinese have a proverb:

"Better to light one candle than to curse the darkness."

Perhaps just our very awareness of the situation and our desire to do something about it may provide the spark which lights the candle.

In closing, let me emphasize this—I have no wish to take sides in a Democratic-Republican political fight about our foreign policy toward China. I hope that this country can develop a real bipartisan policy toward China, as well as toward every other country we have relations with. On the other hand, any administration is responsible under the Constitution for the direction of foreign policy; and can be and should be called upon by interested citizens to explain its motives and actions.

As mayor of San Francisco I always tried to call my shots as I saw them. This is what I am doing today in attempting to comment briefly on one of the most confused and complex problems which has ever faced our State Department. My views may not be the same tomorrow or a few months from now. For there is one thing my year in China taught me—you cannot afford to hold fixed ideas. You must keep your thinking fluid, facing things as they are and not as you would like them to be.

#### THE WELFARE STATE

Mr. MORSE. Mr. President, the second speech which I intended to deliver, but I shall forego the pleasure of delivering it, was a speech on the interesting political slogan which the Democrats are using now called "The Welfare State." In regard to this Democratic slogan I fear that many of our Republican leaders, I say most respectfully, are, as usual, completely fumbling the ball once again. They are permitting the Democrats to get the idea across to the rank and file of the American people that it is the Democrats who are for the welfare of the people, and that the Republicans are against it.

As I listen to some of the Republican speakers going about the country talking in a very negative and name-calling way about proposals for legislation which are offered by the Democrats under the claim that they will promote the welfare of our people in terms of the welfare state, and as I hear the Republican jar-

gon and platitudes about statism, I wonder if the Republicans will ever learn that, after all, the American people are interested in the promotion of the general welfare of all our people.

In these closing minutes of the first session of the Eighty-first Congress, I want once again to give some gratuitous advice to the Republican leaders of my party. I do not expect them to follow it, any more than they have followed some of the advice which I have given them in the past. Thus I fear that the Republican Party will continue to lose national elections unless it starts to offer the American people some affirmative, constructive, legislative proposals for meeting the needs of the people.

Mr. President, the American people are interested in the general welfare of all the people, and they are interested in putting into practice the true meaning of the general-welfare clause of the United States Constitution. That calls for affirmative action in terms of specific legislation to put into practice the liberalism of the Constitution.

I want to say that I think it is a great mistake—

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MORSE. I shall not yield at this time. I think it is a great mistake for the Republican leaders to let the Democrats run away again with the ball in this game of politics, so to speak, and create the impression that it is only the Democratic Party that is taking an interest in the general welfare of the people. I think we have got to come out affirmatively and constructively against some of the unwise features in a great many of the Democratic proposals which tend to increase the arbitrary and capricious power of the Executive branch of the Government. We need to interpret for the American people, in terms of specific legislative measures, the meaning of constitutional liberalism and to show them that democracy will never be any stronger in this Nation than its strength at the local governmental level. That does not mean that we cannot have Federal aid and Federal legislation cooperating with the States in connection with the many social and economic problems which are confronting the American people.

Thus, Mr. President, the speech I intended to give was going to be built around a very excellent address by Edwin E. Witte, chairman of the Department of Economics of the University of Wisconsin, which he gave in the Town Hall program in Los Angeles on July 25, entitled "The 'Bug-a-boo' of the Welfare State." I intended to discuss in my speech, paragraph by paragraph, this very fine speech of Mr. Witte's. I do not agree with everything in the speech, but there is a philosophical point of view in the speech which I think the Republican leadership of the country would be wise to take under consideration.

Therefore, Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the full text of Mr. Witte's speech to which I have referred.

<sup>3</sup> The United States Ambassador to China returned to Washington last month. The sub-Embassy and Consular offices at Canton recently were closed and since this address was made the State Department has announced the closing of the consulate at Hankow as well as staff reductions in other consulate offices in China.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

#### THE BUG-A-BOO OF THE WELFARE STATE

When Mr. Miller asked me to talk to you on the subject of "The Bug-a-Boo of the Welfare State," I accepted because I was intrigued by the "Bug-a-Boo." I believed bug-a-boo to be accurately descriptive, not only because the people who talk about the welfare state picture it in most alarming terms, but also because I believed that this term was being misused by many of these alarmists. Examination of as many of these alarmist statements as I have been able to find, which I have made since then, has convinced me that my impressions were correct. At least most of those who talk so much about the welfare state in such alarming terms are using this term as a propaganda slogan to oppose pending legislative measures. In doing so they display shocking lack of knowledge of our American Constitution and of our history and traditions.

I believe in the welfare state, but only in the meaning in which welfare is used in the Constitution of the United States and in which our American Government has always been a welfare state. I am opposed as are the alarmists to the sort of welfare state they picture. I regard the American Government as the best on earth and our most precious heritage. I look upon the Constitution as the finest political instrument ever conceived by man. In making this statement, I have in mind, particularly, the remarkable adaptability of the Constitution to changing conditions. This characteristic has enabled the United States to grow from a small, almost exclusively rural and agricultural state to the greatest Nation on earth, with predominant industrial strength, without fundamental changes in the basic principles which were incorporated in the Constitution and the first 10 Amendments, the Bill of Rights, which were adopted so early that they must be regarded as a part of the original Constitution. It is only through the three Amendments which resulted from the Civil War and the adoption of the Twentieth Amendment in 1920 that any major changes were made in the basic principles in which our Government was grounded and these were to extend to all Americans regardless of race or color and to women rights previously enjoyed only by whites and males. Yet with such a paucity of basic changes, our Nation, operating under the Constitution, has always been able to alter its laws and institutions in accordance with changing conditions and the needs of the times. It is the kind of a welfare state conceived by the founding fathers—one which ever serves the welfare of the people, in accordance with the varying needs of the times, which I staunchly support.

There are concepts of the welfare state which are foreign to American principles, traditions, and ideals. Totalitarian government, whether of the left or the right, is un-American. So is an all-powerful government and one which dominates the lives of its citizens in all respects. Advocates of foreign ideologies like to describe their systems of government as those of a welfare state, but their welfare state is not the sort of a welfare state grounded in the Constitution and the American traditions which I favor. I am equally opposed to those who denounce the welfare state to foster reaction completely at variance with the American concepts of continuous progress. I recognize that the legislative measures which these politicians seek to defeat by their outcry against the welfare state are debatable and I do not condemn them because they oppose these measures. But I do not want them, in their political endeavors, to play directly into the hands of our foreign enemies, by

giving the impression that it is only a socialistic or communistic government which is concerned with the welfare of its citizens.

Such propaganda is not only against the best interests of our country but completely false and contrary to concepts of the Founding Fathers and all of American history. These propagandists would make "welfare" a suspect word and talk as if a government which seeks to promote or protect the welfare of its citizens were un-American. But the founding fathers in the Preamble to the Constitution of the United States recited as one of the six reasons for the adoption of the Constitution, "to promote the general welfare." In article I, section 8, they specifically gave the Congress the power "to lay and collect taxes . . . for the general welfare of the United States," which the Supreme Court has held includes also the power to expend money for this purpose.

The American concept has never been that of a government removed from the people which oppresses them. Rather the American theory of government has always been that expressed by Abraham Lincoln in the closing line of the Gettysburg Address, "a government of the people, by the people, and for the people." It is the concept of a government which is the servant of the people, not their master, which they control, which aids them and which serves their purposes. Again quoting Lincoln, from his "Fragment Government," written in 1854, when he first identified himself with the Kansas-Nebraska movement out of which grew the Republican Party: "The purpose of government is to do for the people what they cannot do for themselves or cannot do so well for themselves."

An examination of what our Government has done in the past establishes that from the very outset it was concerned with and sought to promote the economic and social welfare of its citizens. All of the powers under which the Government now regulates our economy were incorporated in the Constitution adopted in 1789 and soon thereafter were given broad construction by the Supreme Court under John Marshall, a Federalist and a conservative in politics. The first Congress of the United States, on the basis of Alexander Hamilton's famous report on "manufactures"—the first of many instances of economic planning in the history of the United States—adopted a protective tariff for the express purpose of aiding manufactures and promoting the development of industry in the United States. Later Henry Clay championed protection and internal improvements as "the American system," urging most eloquently, with help from Daniel Webster, that governmental aid to industry was in the general public interest. Tariff duties were repeatedly increased with this objective in mind, and supplemented in many instances by direct subsidies to industry. To supply capital for their development, the railroads were given public lands equal in area to the entire State of Texas. More recently, the Government has subsidized the air lines and merchant shipping. Even more important are vast public expenditures for improved highways upon which the development of our great automobile, oil, trucking, and numerous other industries is dependent. Directly beneficial to industry, also, are the rapidly increasing expenditures for research, which, particularly in the atomic energy field, afford hope for putting American industry even much further ahead of the rest of the world than it is today. When industry in the 1930's faced universal bankruptcy, the Government came to its rescue through the Reconstruction Finance Corporation—established while Herbert Hoover was in the White House and with his approval—and through numerous other agencies. Again at the end of World War II, aid was given to industry in effecting reconversion to civilian production, by the refund

of wartime taxes where losses resulted during the 2 years following the war. These are only a few of many instances in which Government in the United States has aided either industry generally or particular industries. Numerous instances of such aid continue to this day and have become a definite part of the American way of life.

But it is false, as the critics of our way of life are saying, that Government in the United States has been concerned only with the welfare of industry. To the contrary, the American concept that government shall promote the general welfare has extended to all citizens, the poor and the weak, no less than the rich and successful. Every American State almost as soon as it was organized wrote into its statutes the obligation that the public must foot the bill for the support and care of those of its numbers who are without other means of support. The National Government began its activities in the relief field at least as early as 1798 when Congress established a hospital service for indigent seamen. Early in the nineteenth century, it adopted the policy of disposing of the public domain in such a way as to give aid to the actual cultivators, rather than to land speculators. This culminated, when Lincoln was President and the Republicans for the first time controlled the Government, in the enactment of the Homestead Act, under which most of the tillable lands of this country were given free to bona fide settlers. As was noted recently by Nelson Cruikshank and earlier by President Roosevelt, this policy was in effect a social-security program suited to the then prevailing conditions. It enabled the unemployed and the poor of the East to make a new start on the wild lands of the West, which the Government made available to them. Beyond that, when the frontiersman found that there were no schools on the frontier and he lacked the means to pay for private schools, he demanded that his Government provide the schools at general expense. It was on the frontier that our free public-school system first developed, which as an educator, I believe, had a lot to do with the great progress which has since been made by American industry. The frontiersman also called on Government to provide roads, canals, and later, railroads, because they were needed to enable him to make a living on the land which the Government gave him for settlement. Ever jealous, as nearly all Americans have been, to guard their individual rights from encroachment by Government, the frontiersman yet expected the Government to help him when he needed help with his economic and social problems. And it was a frontiersman, Abraham Lincoln, who most truly expressed the basic American principle regarding how far the Government should go in promoting the general welfare—to do for a people what they cannot do for themselves or cannot do so well for themselves.

I could go on much longer with this recital of what the American Government has done in the past in aiding its people with their economic problems, but what I have brought to your attention should suffice to establish that it is thoroughly American for the Government to concern itself with the welfare of its citizens. And what it should do at a given time depends upon the conditions and the needs of the time.

But I must come back to the current alarm regarding the welfare state. Nearly all of the propaganda along this line seems to arise from opposition to legislative measures now before the Congress of the United States which have been recommended by the President. Specifically these appear to be the proposals against which the propaganda about the welfare state is directed: legislation to abolish the poll tax in the South and to make lynching a Federal offense; the Brannan program for a new form of aid to agriculture, which will at the same time benefit



many urban dwellers (but not the continuance of the existing program for aid to agriculture); the proposed increase in the minimum rate for workers employed in industries engaged in interstate commerce to 75 cents per hour; Federal aid for housing, including a modest program of public housing for veterans; Federal aid for education; compulsory health insurance (but not the counterproposal of Senator Taft and other Republicans for greatly increased Federal aid for public medical services); and the administration program for extension and improvement of the Social Security Act. All these, as I have indicated, are debatable proposals, about which something is to be said on both sides.

In the time remaining, I shall deal only with the last of these measures, in part, because it appears to be the one which is most frequently referred to when the alarmists about the welfare state come down to particulars.

I was the executive director of the President's Committee on Economic Security which sponsored the Social Security Act in 1935. That act was the result of an extensive study by a staff which embraced most of the specialists in this field, including some of the country's ablest actuaries. It also was gone over by an advisory council which had on it some of the leading industrialists of the country, among them Mr. Swope, president of the General Electric; Mr. Teagle, president of the Standard Oil Co. of New Jersey; Mr. Folsom of Eastman-Kodak; and Mr. Raymond Moley then one of the closest advisors of the President. The administration bill, prepared by our committee, was given extended hearings by the House Ways and Means Committee and the Senate Finance Committee, and was altered quite extensively by these committees. The bill was brought before both Houses under an open rule. It was long debated and numerous amendments were offered and some of them adopted. But when it came to passage, the great majority of both the Democrats and the Republicans voted for it, with only 6 votes against the measure in the Senate and 23 in the House.

The assistance programs included in the Social Security Act became operative early in 1936 when Congress passed the first appropriation for this purpose. The social insurance parts of the program came into operation January 1, 1937. That was after something like a referendum on the act had been held in the presidential election of 1936, when the Republican National Committee distributed millions of copies of attacks upon the act, which were put into the last pay-roll envelopes before the election by thousands of companies, only to have its candidate defeated in the most one-sided contested election we have ever had. Since then no major political party or its candidates have ever attacked any of the basic provisions of the Social Security Act.

In many respects the old-age insurance system has worked remarkably well. It is the world's largest insurance institution, with 80,000,000 living Americans having credits in the system. Before the act came into operation it was feared by many that the American workers would resent having to contribute to the costs of their old-age benefits. But the workers never complained nor have they ever objected to increases in contribution rates, to provide better benefits. From an efficiency standpoint, also, the old-age insurance system has had an unusually fine record. Today its costs of administration are only 2½ percent of the contributions or 4½ percent of the total benefit payments.

But it is far from an adequate system. Since the Social Security Act was passed 14 years ago, it has been extensively amended only once—in 1939. The amendments then adopted were of a very mixed character. Retirement benefits were increased in the early years of the system and small dependents' and survivors' benefits were added.

At the same time a large percentage of all those who would have been entitled to benefits on attainment of age 65 were reduced, immediately preceding the outbreak of World War II, during which it would have been no hardship upon either employers or employees to have paid the full costs of the system, which has been accumulating large actuarial deficits year after year.

Since 1939, the old age and survivors insurance system has not been improved in any major respect and definitely weakened in some respects. In the meantime, the real value of the benefits in the contributory old age and survivors insurance has been reduced by the increase in prices. On the other hand, noncontributory old-age assistance payments, made under State laws but with Federal financial aid, have been greatly increased. Where originally they were less than the benefits in the contributory insurance system—as they should be—these noncontributory old-age assistance payments are now nearly twice as large on the average throughout the country and in California three times as large.

The consequences of the failure of Congress to change the old age and survivors insurance system as required by changed conditions have been well nigh tragic. The present law fails to cover two out of every five jobs in this country. Among those excluded, moreover, are many of the people who need old-age protection most—to mention only a few of the excluded groups: The domestics, the farm workers, the employees of educational, religious, and charitable organizations and all of the self-employed. At least equally serious are the tricky eligibility provisions introduced in 1939 to keep down costs, under which close to half of all those who pay contributions can never hope to get benefits. The retirement benefits paid under the act average only \$25 per month and all benefits only \$20 per month, in contrast with average old-age assistance payments in May in this State of \$71 per month.

Amendments to correct these obvious inadequacies have been repeatedly recommended by the Social Security Administration and the President in their messages to the Congress. In the Eightieth Congress, the Republican Senate Finance Committee organized the Social Security Advisory Council, many of whose members were leading industrialists who also served on the Social Security Committee of the Chamber of Commerce of the United States. This Social Security Advisory Council in a unanimous report presented to the Congress in April 1948 urged prompt extension of the coverage of the old age and survivors insurance system to include practically the entire adult population of the United States, liberalization of benefits, and an increase in contribution rates. Congress instead narrowed the coverage and otherwise did nothing about the recommendations of the Advisory Council. In the present Congress, the administration has come forward with a bill for amendment of the Federal old age and survivors insurance system, which follows very closely the recommendations of the Social Security Advisory Council of the Eightieth Congress. Extensive hearings were held on this bill by the Ways and Means Committee and it then considered the measure for several weeks in executive session. Very recently it has been reported to have reached agreement upon a bill which does not go nearly as far as did the administration bill or the Social Security Advisory Council.

This bill would extend the coverage of the old-age and survivors insurance system by somewhere around 8,000,000 people, principally the urban self-employed and the domestics, but still leaving outside of the act the farmers and farm laborers. It would change the benefit provisions to increase the average payments to slightly more than the present average payments in old age assistance—that is throughout the Nation but

still a third less than California's present old age assistance grants. And it proposes to increase the tax rates from the present 1 percent each on employers and employees to 1½ percent, to be further increased to 2 percent in 1952, to 2½ percent in 1960, and 3 percent in 1965.

It is this prospect of an increase in social security taxes, more than anything else, which has led to the alarms about the welfare state. Combined with the costs of other parts of President Truman's Fair Deal, the increase in social-security taxes is represented as being certain to destroy our economy of free enterprise. The entire program, it is claimed, is one under which Government responsibility for support is substituted for self-support with results which will be ruinous to thrift, initiative, and enterprise. The final consequence will be the regimentation of everybody by government, with complete loss of individual freedom.

These results are ascribed to a program for a more inclusive and liberal system of old age insurance, financed by equal contributions of employers and employees. The Social Security Advisory Council of the Eightieth Congress and the administration's bill in the present Congress proposed ultimate tripartite financing of old age and survivors insurance, with the costs equally shared among employers, employees, and the Government. The Ways and Means Committee has again rejected all commitments even for ultimate Government contributions and is proposing tax rates which it believes will be sufficient for financing the program from employer and employee contributions alone for at least a generation. This is possible only because the committee's program calls for retirement benefits which will be only slightly better than the present average noncontributory old age assistance payments—around \$50 per month to the fully insured retired workers, with lesser payments to some of their dependents and survivors, with an absolute maximum of \$150 per month to any family, regardless of the number of primary beneficiaries or dependents.

The merits of this proposal must be appraised in the light of possible alternatives. A civilized society cannot do what Hitler did condemn the dependent aged to the gas chambers. As we have done in this country from the beginning of settlement, the public must support the aged dependents and all of the rest of the people who have no other means of support.

There are only three possible methods for dealing with this problem of the people who in old age, when they can no longer work, lack means of support, ruling out Hitler's gas chamber and the equally barbarous method of letting them starve. The first of these is a universal pension system in which payments of a flat amount are made to everybody who attains a specific age—say 60 or 65—regardless of their financial situation, which are financed from taxes levied upon everybody. The second is old age assistance, in which payments are made to old people in need and in varying amounts depending upon their needs, again financed from general tax sources. The third is a contributory old age insurance system, in which the benefits are paid to persons qualifying by reason of the contributions which they have consciously made to the costs of the system and which vary, at least to some degree, with the total or average contributions made by the individual prior to retirement. The last two of these possible programs are now in operation in this country: old age assistance, a State-determined and State-administered program, but with more than half of the financing provided by the national government; and old age and survivors' insurance, nationally controlled and administered and financed exclusively from pay-roll taxes on employers and employees. Universal old age pensions have not been adopted in this or any country, except for veterans.

Of these alternatives, I rule out universal old age pensions because of their costs and uncontrollability. With 11,000,000 people now in the United States, even a modest universal pension of \$50 per month would cost \$3,600,000,000 per year, contrasted with a total of \$2,000,000,000 to be raised from employer and employee pay-roll taxes under the plan for an improved old age insurance system recommended by the Ways and Means Committee. The number of the aged is increasing nearly 3 percent per year and the costs of universal pensions will, at the minimum, increase correspondingly. With many millions of people who make no direct contributions to the costs on the rolls as beneficiaries, it is, also, completely unrealistic to assume that universal old age pensions can be kept down to \$50 per month or any similar figure.

Old age assistance appeals to many people as a potentially less costly method of dealing with the problem of old age support, because only old people in need are to receive benefits and only in amounts measured by their needs. As experience with old age assistance has demonstrated, however, these expectations are illusory. Need is a flexible concept and already half of the old people are qualifying for old age assistance in some States, with the percentage still increasing. As your referendum proposition No. 4 illustrates, the amounts of the old age assistance payments tend to become uncontrollable, where prospective beneficiaries do not consciously contribute to the costs.

There is some danger also that benefits may be increased unreasonably in a contributory old-age insurance system. But that has not occurred in any country which, unlike the United States, places reliance for the support of the aged dependents principally upon contributory old-age insurance. The fact that prospective beneficiaries know that increased benefits will also require increased contributions serves as a powerful deterrent against unreasonable increases.

A contributory old-age insurance system is not inconsistent with an economy of free enterprise; rather, it is a bulwark to such an economy. A proper system of social security is not a featherbed, but a net to catch those that fall, or rather it is a floor of protection assuring all Americans the minimum income needed for a decent existence in all contingencies of life. Above such a minimum, individual and family responsibility must be retained. For the luxuries and even the conveniences of life, reliance must be placed upon individual savings and insurance and supplemental private pension, health and welfare plans. Social security, thus conceived, is clearly essential to private enterprise, as it is the only basis on which it can survive.

In presenting this viewpoint, I recognize that the social-security movement, like everything else, is fraught with danger. As John Maurice Clark has observed, there is far less danger of "a police state" in this country than of a "Santa Claus state" to which the people in general look for hand-outs, with no thought of reciprocal obligations. It is precisely because I want a welfare state, in the sense contemplated by the Constitution, and not a Santa Claus state that I am so strongly urging extension and improvement of our old-age and survivors insurance. As I see it, unless this is done very promptly, referendum No. 4 is only the beginning of what we will have to face and the contributory principle in relation to old-age support will be entirely lost.

But I may be wrong and those who favor universal pensions or exclusive reliance upon old-age assistance and private pension programs may be right. Similarly, there is much to be said against all the other parts of President Truman's Fair Deal program, just as there is a case to be made for each of these proposals.

But I submit, it is regrettable that so many of the opponents have substituted the outcry about the welfare state for solid arguments against the Truman proposals. This outcry is contrary to American concept of a "government of the people, by the people, and for the people," one of whose purposes is to promote the general welfare. In conveying the impression, at home and abroad, that the American Government is not interested in welfare, it undermines the foundation of our democracy, our economy, and our security. Let us continue to debate, as we have always done, what will best promote the general welfare, but let us not play Stalin's game by proclaiming that our Government is not interested in the welfare of the common man.

Mr. MORSE. Mr. President, in closing, I want to say that I understand the distinguished Vice President of the United States, for whom I have a great deal of love, affection, and fondness, is, in the very near future, going to be a visitor to the great State of Oregon. I want to assure the distinguished Vice President that I shall consider it a matter of great personal enjoyment to extend to him the hospitality of our State when he arrives. I hope that when he comes this time he will have a story which will be of greater help to the junior Senator from Oregon, so far as his nomination in the Republican primary is concerned, than was the last story he told in the State of Oregon.

The Vice President will recall that when he stopped over at the Portland airport during the 1948 campaign, on his trip from Seattle to San Francisco, he did not honor us with a speech in our great State. We were very much disappointed about that. He did tell a story on the junior Senator from Oregon which I hope he will improve upon when he next visits Oregon.

The Vice President will recall that Larry Smith, of the Oregon Journal, at the press conference at the Portland airport asked the Vice President, then the Senator from Kentucky, what he thought of the junior Senator from Oregon. In answer to the question the Vice President told this story. He said, "Well, you know, Wayne reminds me of the turtle that was going down the road with his neck stuck out in front of him, plodding along. A couple of boys came along and discovered the turtle. One of them took out a jack-knife and cut off the turtle's head, but the turtle kept right on plodding down the highway." Our beloved Vice President then said, "You know, the turtle just didn't know the difference, and that reminds me of my good friend and colleague, your junior Senator WAYNE MORSE. Wayne is a Republican, but he really doesn't know the difference between a Republican and a Democrat." [Laughter.]

I want to assure the Vice President that his story did not help me any in my State among Republicans. Now I assume that the Vice President as Presiding Officer over the Senate has now become so nonpartisan that he will want to help me become renominated in the next election.

The VICE PRESIDENT. If the Senator will permit the Chair to correct the story. An argument arose between two people as to whether a turtle was

dead or not. One said he was dead because his head was cut off, but the other said he was not dead because he was still crawling. They called in a third, who said he was dead but didn't know it. The Vice President, at that time the Senator from Kentucky, was intimating that the Senator from Oregon was a Democrat but didn't know it. [Laughter.]

Mr. MORSE. Mr. President, that is a new version of the story. I hope the Vice President will not make his correction in my State.

In all seriousness, I do wish to say to the Vice President that all of us in the officialdom of our State, Republicans and Democrats alike, will be very happy to welcome the Vice President as a visitor to Oregon. We look forward to his visit.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MORSE. I yield the floor.

Mr. DONNELL. I should like to ask the Senator a question, if he will permit me, and before doing so I should like to invite the Vice President most graciously to visit Missouri occasionally. [Laughter.]

The VICE PRESIDENT. The present occupant of the chair appreciates that invitation, and in view of its sincerity, the Chair may accept it.

Mr. DONNELL. I will say to the Vice President that I was quite confident that he would when I extended the invitation.

The VICE PRESIDENT. The Chair would like to state that if he does accept the invitation, it will not be in his capacity as Vice President of the United States. [Laughter.]

Mr. DONNELL. I should like to ask the Senator from Oregon a very brief question. He referred to the general welfare clause of the Constitution. I assume he was referring to section 8 of article 1 of the Constitution, which says that—

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States.

Is that the clause to which he was referring as the general-welfare clause?

Mr. MORSE. I was referring to that clause, but I was referring also to what I think is one of the primary meanings of the entire Constitution, read from its four corners. I think that under our system of representative self-government one of the primary objectives of our Government should be to pass legislation consistent with the constitutional checks and balances of the Constitution and which legislation promotes general welfare of all our people. Such was Lincoln's view when he said, "The purpose of government is to do for the people what they cannot do for themselves or cannot do so well for themselves."

Mr. DONNELL. The particular question I wanted to be clear on was as to whether that was the clause to which the Senator referred in his expression "general welfare clause," when he used that expression.

Mr. MORSE. That is correct.

Mr. DONNELL. I ask the Senator whether he agrees with me, generally



speaking, that that clause does not create power to legislate, but is a taxing clause, and specifies certain of the purposes for which taxes, imposts, duties, and excises may be used. Am I correct?

Mr. MORSE. The Senator has raised the very question I intended to discuss for about 2 hours out of the 6-hour speech, which I have decided not to make in the closing period of this session. In order to do justice to my point of view with regard to that clause the Senator will have to hold that question in abeyance until January.

Mr. DONNELL. I thank the Senator for his courtesy in yielding.

#### TRIBUTE TO SENATOR WHERRY, MINORITY LEADER

Mr. DONNELL. Mr. President, reference has been made this afternoon to different gentlemen, and there is one man who has not been mentioned, so far as I have heard, namely, the minority leader.

I wish to say just very briefly something about the work of the minority leader. I have observed him from the time I came to the Senate only a few years ago and saw him as a Senator, then as a whip, and ultimately as the minority leader. I think his work has been characterized by a very, very high degree of intelligence and energy, fairness, diligence, and industry. We have been exceedingly fortunate in the Senate of the United States in having as the minority leader, with the arduous duties which are attached to that position, the distinguished junior Senator from Nebraska [Mr. WHERRY], and as one member of the minority party—and I believe I speak for all the members—I tender him at this time our very sincere appreciation for his diligent, conscientious, and skillful leadership in the duties which have been assigned to him.

#### NOTIFICATION TO THE PRESIDENT

Mr. LUCAS and Mr. WHERRY advanced in the center aisle, and

Mr. LUCAS said: Mr. President, the committee appointed about 2 hours ago to confer with the President reports back that we have talked with the President and he advises us that he has no further business to send to the United States Senate.

#### EXPRESSIONS OF THANKS TO ATTACHÉS OF THE SENATE AND TRIBUTE TO THE VICE PRESIDENT

Mr. LUCAS. Mr. President, I wish to thank the Members of the Senate who have been kind enough to say a few words about the senior Senator from Illinois. I also wish to take this opportunity of thanking all the legislative employees of the Senate, including the page boys, who have always been ready to run all errands for Senators wherever it might be, and I wish for them a very happy vacation. I hope they will return fully recovered from the long and arduous and strenuous duties they have been performing.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, I, too, wish to join with the distinguished majority leader in thanking those who make the Senate go. I am glad he mentioned

it before I took the floor. I had intended especially to thank the page boys, the clerks at the desk, the Parliamentarian, and I even wish to thank the President of the Senate. He has had some important decisions to make this year. I have not agreed with all of them, but I wish to give him the compliment he paid me once. I know of no man I love more with whom I so often disagree, as the President of the Senate, the Vice President of the United States. I want him to know we appreciate his officiating as our President, and the manner in which he has presided over the proceedings of the Senate.

I thank everybody on both sides of the aisle, and I, too, join in wishing them a very happy vacation, and admonish them to be on hand on January 3 for the second round of the Eighty-first Congress.

Mr. LUCAS. Mr. President, I was leaving the best to the last. The Senator from Nebraska has referred to the distinguished Vice President, and I agree with everything he has said. In fact, I can go even further than the distinguished minority leader did, because the Vice President and I agree about 99 percent of the time, and he is usually right the 1 percent when he does not agree with me.

I wish to say to the Vice President that as one who is new in this position, I am exceedingly grateful to him for the advice and counsel he has given me all through these 10 months of strenuous struggle. He well knows I have conferred with him many times on questions of policy and questions of procedure, and at no time has he given me advice which was wrong. His long experience in the legislative halls of Congress makes him unusually fitted and adapted to rule over this great deliberative body. He has done it with fairness and courtesy and kindness to all.

I also wish especially to express my appreciation to Charlie Watkins, the Parliamentarian, because without Watkins I hardly know how the Senate could run. He is always on the job and he really knows the rules and precedents. I hope he stays with us forever.

Mr. President, that is all, with the exception of three orders, which I send to the desk.

#### PLACE OF MEETING OF SECOND SESSION OF EIGHTY-FIRST CONGRESS

On motion of Mr. LUCAS, and by unanimous consent, it was

*Ordered*, That upon the convening of the second regular session of the Eighty-first Congress on January 3, 1950, the Senate meet in its Chamber: *Provided, however*, That in the event construction work now in progress on the new roof has not been completed by that date, the Senate shall resume its sessions in the Old Supreme Court Room.

#### AUTHORIZATION TO MAKE APPOINTMENTS TO COMMISSIONS OR COMMITTEES DURING ADJOURNMENT

On motion of Mr. LUCAS, and by unanimous consent, it was

*Ordered*, That notwithstanding the final adjournment of the present session of the Congress, the President of the Senate be, and he is hereby, authorized to make appointments to commissions or committees authorized by law, by concurrent action of the two Houses, or by order of the Senate.

#### AUTHORIZATION TO RECEIVE MESSAGES FROM THE HOUSE DURING ADJOURNMENT

On motion of Mr. LUCAS, and by unanimous consent, it was

*Ordered*, That the Secretary of the Senate be, and he is hereby, authorized to receive messages from the House of Representatives subsequent to the adjournment of the present session.

#### ADJOURNMENT SINE DIE

Mr. LUCAS. In line with the concurrent resolution heretofore agreed to, I now move that the Senate adjourn sine die.

The motion was agreed to; and (at 8 o'clock and 11 minutes p. m.) the Senate, under terms of the House concurrent resolution (H. Con. Res. 148), heretofore agreed to, adjourned sine die.

#### ENROLLED BILLS AND JOINT RESOLUTION SIGNED AFTER SINE DIE ADJOURNMENT

Subsequent to the sine die adjournment of the Senate, the Vice President, under the authority of House Concurrent Resolution 149, signed the following enrolled bills and joint resolution, which had previously been signed by the Speaker of the House of Representatives:

S. 1578. An act to authorize the Secretary of the Army to proceed with construction at stations of the Alaska Communication system;

S. 1580. An act concerning common trust funds and to make uniform the law with reference thereto;

S. 2382. An act to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at a location to be selected by the Secretary of Defense;

S. 2404. An act authorizing an appropriation for the construction, extension, and improvement of a county hospital at Albuquerque, N. Mex., to provide facilities for the treatment of Indians;

S. 2668. An act to amend the Independent Offices Appropriation Act for the fiscal year 1950;

H. R. 162. An act to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes;

H. R. 3699. An act to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes;

H. R. 5601. An act to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes;

H. R. 6109. An act granting the consent of Congress to a compact or agreement between the State of Tennessee and the State of Missouri concerning a Tennessee-Missouri Bridge Commission, and for other purposes;

H. R. 6230. An act to direct the Secretary of the Interior to convey certain land to school district No. 5, Linn County, Oreg.;

H. R. 6427. An act making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; and

H. J. Res. 33. Joint resolution to vest title to certain lands of the Three Affiliated Tribes

of the Fort Berthold Reservation, N. Dak., in the United States, and to provide compensation therefor.

#### ENROLLED BILLS PRESENTED TO THE PRESIDENT AFTER SINE DIE ADJOURNMENT

The Secretary of the Senate reported that on October 20, 1949, he presented to the President of the United States the following enrolled bills:

S. 509. An act to provide for the advancement of commissioned Warrant Officer Chester A. Davis, United States Marine Corps (retired) to the rank of lieutenant colonel on the retired list;

S. 1232. An act to increase the allowance for equipment maintenance of rural carriers by 1 cent per mile per day for each scheduled mile or major fraction thereof;

S. 1267. An act to promote the national defense by authorizing a unitary plan for construction of transsonic and supersonic wind-tunnel facilities and the establishment of an air engineering development center;

S. 1284. An act to amend section 6 of the Federal Airport Act;

S. 1479. An act to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city delivery service, and for other purposes;

S. 1560. An act to authorize the appointment of Col. Kenneth D. Nichols, O17498, professor of the United States Military Academy, in the permanent grade of colonel, Regular Army, and for other purposes;

S. 1578. An act to authorize the Secretary of the Army to proceed with construction at stations of the Alaska communication system;

S. 1580. An act concerning common trust funds and to make uniform the law with reference thereto;

S. 1660. An act providing for the conveyance to the Franciscan Fathers of California of approximately 40 acres of land located on the Hunter-Liggett Military Reservation, Monterey County, Calif.;

S. 1825. An act to amend the Federal Pay Act of 1945, approved July 6, 1945, so as to provide promotions for temporary employees of the mail equipment shops;

S. 2115. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes;

S. 2290. An act to authorize an appropriation for the making of necessary improvements in the cemetery plots at the Blue Grass Ordnance Depot, Richmond, Ky.;

S. 2382. An act to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at a location to be selected by the Secretary of Defense;

S. 2404. An act authorizing an appropriation for the construction, extension, and improvement of a county hospital at Albuquerque, N. Mex., to provide facilities for the treatment of Indians; and

S. 2668. An act to amend the Independent Offices Appropriation Act for the fiscal year 1950.

#### REPORT OF A COMMITTEE AND MINORITY VIEWS FILED AFTER SINE DIE ADJOURNMENT

Pursuant to the authority of the order of the Senate of October 19, 1949, Mr. HICKENLOOPER submitted on October 26, 1949, minority views (pt. 2 of Rept. No. 1169) on the investigation into the United States Atomic Energy Commission of the Joint Committee on Atomic Energy.

Pursuant to the authority of the order of the Senate of October 15, 1949, Mr.

MYERS, on October 31, 1949, from the Committee on Interstate and Foreign Commerce, submitted a report (No. 1204) to accompany the bill (S. 211) to amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose in sections 201 and 500 of the Transportation Act, and for other purposes," approved June 3, 1924, as amended, heretofore reported.

#### APPROVAL OF SENATE BILLS AND JOINT RESOLUTION AFTER SINE DIE ADJOURNMENT

The President of the United States, subsequent to sine die adjournment of the Senate, notified the Secretary of the Senate that he had approved and signed acts and a joint resolution, as follows:

On October 19, 1949:

S. 627. An act for the relief of Keon Moore.

On October 25, 1949:

S. 76. An act to authorize the Secretary of the Interior to convey a certain tract of land in the State of Arizona to Lillian I. Anderson;

S. 443. An act to authorize the construction and equipment of a radio laboratory building for the National Bureau of Standards, Department of Commerce;

S. 489. An act to authorize the refund to the Florida Keys Aqueduct Commission of the sum advanced for certain water facilities, and for other purposes;

S. 614. An act to amend the Hospital Survey and Construction Act (title VI of the Public Health Service Act), to extend its duration and provide greater financial assistance in the construction of hospitals, and for other purposes;

S. 939. An act to remove certain lands from the operation of Public Law 545, Seventy-seventh Congress;

S. 1232. An act to increase the allowance for equipment maintenance of rural carriers by 1 cent per mile per day for each scheduled mile or major fraction thereof;

S. 1284. An act to amend section 6 of the Federal Airport Act;

S. 1542. An act to authorize the withdrawal of public notices in the Yuma reclamation project and for other purposes;

S. 1829. An act to authorize the Secretary of the Interior to transfer to the Crow Indian Tribe of Montana the title to certain buffalo;

S. 2226. An act relating to the compensation of certain employees of the Panama Canal;

S. 2290. An act to authorize an appropriation for the making of necessary improvements in the cemetery plots at the Blue Grass Ordnance Depot, Richmond, Ky.;

S. 2316. An act to authorize the construction and equipment of a guided-missile research laboratory building for the National Bureau of Standards, Department of Commerce; and

S. J. Res. 134. Joint resolution to amend the National Housing Act, as amended, and for other purposes.

On October 26, 1949:

S. 1660. An act providing for the conveyance to the Franciscan Fathers of California of approximately 40 acres of land located on the Hunter-Liggett Military Reservation, Monterey County, Calif.; and

S. 2380. An act to amend the Federal Airport Act so as to authorize appropriations for projects in the Virgin Islands.

On October 27, 1949:

S. 509. An act to provide for the advancement of commissioned Warrant Officer Chester A. Davis, United States Marine Corps (retired) to the rank of lieutenant colonel on the retired list;

S. 1267. An act to promote the national defense by authorizing a unitary plan for

construction of transsonic and supersonic wind-tunnel facilities and the establishment of an Air Engineering Development Center;

S. 1560. An act to authorize the appointment of Col. Kenneth D. Nichols, O-17498, professor of the United States Military Academy, in the permanent grade of colonel, Regular Army, and for other purposes;

S. 1578. An act to authorize the Secretary of the Army to proceed with construction at stations of the Alaska Communication System; and

S. 1580. An act concerning common-trust funds and to make uniform the law with reference thereto.

On October 28, 1949:

S. 2382. An act to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at a location to be selected by the Secretary of Defense; and

S. 2668. An act to amend the Independent Offices Appropriation Act for the fiscal year 1950.

On October 29, 1949:

S. 1479. An act to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city delivery service, and for other purposes; and

S. 1825. An act to amend the Postal Pay Act of 1945, approved July 6, 1945, so as to provide promotions for temporary employees of the mail equipment shops.

On October 31, 1949:

S. 2404. An act authorizing an appropriation for the construction, extension, and improvement of a county hospital at Albuquerque, N. Mex., to provide facilities for the treatment of Indians.

#### DISAPPROVAL OF SENATE BILLS AFTER SINE DIE ADJOURNMENT

The message also announced that the President had vetoed the following bills of the Senate on the dates indicated:

##### FEDERAL RECLAMATION LAW

S. 1385. I am withholding my approval from S. 1385, a bill providing that the excess-land provisions of the Federal reclamation laws shall not apply to lands that will receive a supplemental water supply from the San Luis Valley project, Colorado.

Under the excess-land provisions of the Federal reclamation laws, water from a Federal reclamation project may be supplied to any one landowner, on a permanent basis, for not to exceed 160 acres of irrigable land within the project. Where the land is held in community or joint ownership by a husband and wife, water may be furnished for as much as 320 acres. The enrolled bill would increase the basic limitation, insofar as lands within the San Luis Valley project are concerned, from 160 acres to 480 acres. This change would have the effect of increasing the husband-and-wife limitation, for lands within that project, from 320 acres to 960 acres.

One great objective of the Federal reclamation program is to foster the establishment and maintenance of farm homes throughout those portions of our country where agricultural operations cannot rely solely upon nature for a water supply. The excess-land provisions of the law provide the legal mechanism for assuring that the benefits of the irrigation systems will inure to family-size farming enterprises. This is true whether the purpose of the particular project is to open up new land for settlement by providing an original water



supply, or to stabilize an existing irrigation economy as in the case of the San Luis Valley project. In the absence of requirements designed to channel the water to those who are striving to build or conserve farm homes for their families, the heavy investments of interest-free funds being made for the reclamation program would lose much of their justification.

The San Luis Valley project, when completed, will provide a supplemental supply of water for approximately 500,000 acres. The only unit of the San Luis Valley project planned for construction at the present time is the Conejos division. The great bulk of the 86,000 acres that would be served by this division is already held in farm units that comply with the excess-land provisions of the Federal reclamation laws. Most of these existing farm units will be fully capable of supporting a farm family at an acceptable standard of living, once a regulated water supply is made available. On the other hand, approximately 24,000 acres of land within the Conejos division are of such quality, considering the comparatively short growing season of the region, as to make questionable their capacity to provide satisfactory family livelihoods if the farming operations must be in units meeting the present limitations. The enrolled bill, however, is not restricted to these 24,000 acres, or to the Conejos division, but would apply to the San Luis Valley project as a whole. In striving to meet the problems of a small part of the area, it would relax the existing acreage limitations for a much larger block of lands where adequate family-size farms can be maintained within these limitations.

It does not seem to me to be desirable or necessary to enact a bill of this sweeping character in order to achieve whatever corrective action may be needed to adapt the principle of aiding family-size farms to the particular conditions of the San Luis Valley project. It will be at least 2 years before the construction work on the Conejos division is completed. In the meantime, I hope that the Congress will consider legislation amending the excess-land provisions of the reclamation laws so as to authorize appropriate adjustments in maximum acreages, where necessary, under carefully worked-out standards, which could be applied not only to the San Luis Valley project, but also to other projects in which some adjustment may be warranted. Such legislation would seem to me to provide the proper way to meet special and unique situations, such as those in the San Luis Valley, without doing violence to the basic and often reaffirmed principle of maintaining the family-size farm on reclamation projects.

HARRY S. TRUMAN.

THE WHITE HOUSE, October 29, 1949.

#### AUTOMOBILES FOR DISABLED VETERANS

S. 2115. I have withheld my approval of S. 2115, to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes.

The purpose of the enactment is to authorize the payment of not to exceed \$1,600 on the purchase price of an automobile or other conveyance for any veteran of World War I or World War II entitled to compensation under laws administered by the Veterans' Administration for the loss, or loss of use, of one or both hands or feet or for defective vision to a prescribed degree.

The First Supplemental Appropriation Act, 1947, granted a similar benefit for each World War II veteran entitled to compensation for loss, or loss of use, of one or both legs at or above the ankle, with the requirement that the veteran be qualified to operate the conveyance. This authority was extended and most of the eligible World War II veterans with leg disabilities have already qualified for a conveyance under that law. Hence, the primary effect of the present proposal on World War II veterans would be to grant a vehicle to those with service-connected disabilities of the upper extremities and to those with seriously impaired vision. It would also qualify World War I veterans for this benefit for the first time.

Any provision that will assist those veterans who have suffered the most severe disabilities as a result of their service naturally commands, and should command, our most sympathetic consideration. However, we should not lose sight of the basic purpose in fulfilling our primary obligation to veterans disabled in the service, which is not only to give them timely help to surmount the physical and economic handicaps of their disability, but at the same time to preserve and stress the underlying objective of assisting them to be as nearly as possible self-reliant and self-sustained members of society.

A comprehensive program has already been adopted by the Government which is based squarely upon the policy of directly assisting the disabled veteran to the maximum extent possible in overcoming his service disability. This consists of medical and hospital care, prosthetic appliances, vocational rehabilitation training, waiver of insurance premiums during continuous total disability, and liberal rates of monthly compensation, including additional amounts for dependents in severe cases. Blind veterans may be provided with guide dogs and electrical or mechanical equipment designed specifically to aid them in overcoming their physical handicaps. Moreover, special increased rates of compensation are provided for those with certain specific disabilities, such as loss of one or both hands or feet or blindness. At the present time, the veterans who would be benefited by S. 2115 receive monthly compensation payments ranging from \$97 to \$360, with, in most instances, extra amounts depending on the number of their dependents. This is, of course, in addition to the medical and other services which they receive. Within the last month I have approved legislation, effective December 1, 1949, to provide a minimum of 8.7-percent increase in basic compensation rates for disabled veterans. This increase will benefit those veterans receiving compensation on the

basis of the degree of their disability, which includes the great majority of those who would be benefited by the present proposal.

This proposal would now add to the presently available sound rehabilitative measures the one-time gift of an automobile or other conveyance based on the fact that the veteran had lost one or both hands or his vision in the service. The original program of automobiles for disabled veterans was intended to provide timely rehabilitative assistance to help those veterans readjust to civilian life. It was limited to veterans of World War II entitled to compensation for the loss, or loss of use, of one or both legs at or above the ankle, who were personally able to operate automobiles. The cars were intended to serve the purpose of additional prosthetic appliances for the direct use of veterans whose mobility had been impaired by injury or loss of lower limbs. Under S. 2115, the factor of mobility would be largely disregarded. Certainly, the gift of an automobile to a blind veteran who has no one to drive it for him is, in no sense, a prosthetic appliance. Nor is an automobile necessary for the rehabilitation of each and every veteran who has lost one or both hands. S. 2115 would abandon the principle upon which the original program was based. If we abandon sound principles of rehabilitation, it is not clear how or where we can stop this progressive expansion of the granting of automobiles short of providing one for every disabled veteran.

The practice of making gifts of special nonmonetary benefits, such as automobiles, to a particular group of disabled veterans, leads both to serious inequity and to abuse. Under S. 2115, for example, a veteran who has suffered the loss of a hand and who may be rated as 60 percent or 70 percent disabled would receive an automobile, though his mobility may be impaired only slightly, if at all. At the same time a much larger number of veterans rated as high as 100 percent disabled, but without the specific disabilities covered by this proposal, will not receive automobiles. These instances of discrimination would not be isolated cases. This bill would create wholesale inequities. Of the estimated 9,780 additional World War II veterans who could become eligible for free automobiles under this bill, the best available data indicate that 40 percent, or 3,900, would be cases rated as disabled 70 percent or less. Only about 2,700 of those to receive this benefit would be rated as 100 percent disabled. On the other hand, there would be over 65,000 World War II veterans on the rolls of the Veterans' Administration receiving compensation for 100-percent disability who would be completely excluded. The situation with respect to World War I veterans would also be similar. This bill would qualify an estimated 5,700 veterans of various degrees of disability but would exclude over 25,000 World War I veterans who are rated 100 percent disabled. It seems obvious that inequities are bound to arise when specific gifts are made without references to a distinctive need which is both substan-

tial and urgent to those concerned. The step-by-step distribution of such gifts to wider and wider groups of veterans would destroy the delicately balanced disability compensation structure which has been worked out through the years.

In addition to the inequities mentioned, this measure would lead to abuses. Many of the veterans eligible under this proposal are unable to drive an automobile, and some of these may have no one to drive for them. Yet, such veterans may have a legitimate need for some other aids or conveniences suitable to their own individual cases. Their only recourse will be to apply for and receive the automobiles and immediately sell them. It is surely unsound public policy to give a special group of veterans special gifts so poorly fitted to their requirements that many will be forced to sell them in order to use the proceeds for purposes better suited to their needs.

When we move beyond the provision of individually fitted prosthetic appliances for disabled veterans into the field of compensation, the sound and equitable method of meeting the needs of disabled veterans is through the provision of a carefully considered scale of compensation rates paid in cash on a monthly basis. This is our long-tested practice from which I believe we should not depart.

Accordingly, I am compelled to withhold approval of S. 2115.

HARRY S. TRUMAN.

THE WHITE HOUSE, October 31, 1949.

#### NOMINATIONS

Executive nominations received by the Senate October 19 (legislative day of October 17), 1949:

##### IN THE ARMY

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

The following-named officer without specification of branch, arm, or service:

First Lt. George Raymond Krough, O38580, Medical Service Corps, United States Army.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The following-named officers, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947:

##### To be first lieutenants

Frederic Ackerson, O50562.

Hugh Boyd Casey, O56763.

Herbert Lee Jordan, O50564.

Clarke Lewis Shumaker, Jr., O50568.

Frank Clyde Stewart, Jr., O50563.

To be first lieutenants, Women's Army Corps

Fannie Lyle Davis, L200.

Johnita Heslinga, L292.

Virginia Helen Kaufmann, L199.

Marie Louise Malone, L198.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947:

##### To be captains, Army Nurse Corps

Ethel J. Britt, N753.

Virginia M. Brychel, N925.

Barbara M. Cullom, N1101.

Florine Hughes Cutts, N1393.

Elmira Dalrymple, N922.

Hazel L. Evans, N1404.

Mildred M. Furlong, N1401.

Agnes C. Glunt, N1400.

Margaret E. Jackson, N918.

Florence L. Kimmel, N917.

Eleanora Scheesselle Lathery, N1402.

Mary Anne Massoni, N927.

Marjorie M. Mohler, N919.

Mary Kate Platt, N1405.

Dorothy F. Shaw, N1731.

Marjorie Elizabeth Sott, N1676.

Mary Willie Wilborne, N1728.

Lurline V. Zuerner, N1673.

##### To be captains, Women's Medical Specialist Corps

Solveig Christl Peterson, R10018.

Mabel E. Pierce, J39.

##### To be first lieutenants, Women's Medical Specialist Corps

Tommie J. Duncan, J24.

Marian Margaret Poitrat, R10060.

Eleanor M. Vance, J25.

##### APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 625, Eightieth Congress, and Public Law 36, Eightieth Congress:

##### To be majors

Silvia Cortesi, WAC, L904048.

Nick Perlmutter, MC, O930142.

Sanford M. Vaughan, MC, O395934.

Wilhelm A. Zuelzer, MC, O484406.

##### To be captains

Paul F. Brookshire, Jr., MC, O440311.

Walter J. Bolbat, DC, O477483.

William D. Bumsted, DC, O1786096.

John D. Dimichele, MC, O1704772.

John R. Ervin, MC, O1785735.

Gus J. Furla, MC, O1767230.

Longstreet C. Hamilton, MC, O1735272.

Warren S. P. Henderson, MC, O1786624.

Stanley Karansky, MC, O423605.

Henry P. Rosack, MC, O423100.

Walter A. Schoen, Jr., MC, O1766680.

Leonard K. Schreiber, DC.

Edward H. Stiesmeyer, DC, O1766061.

##### To be first lieutenants

Joseph J. Asta, MC, O960846.

Lorenz L. Beuschel, VC, O938999.

Heath D. Bourdon, MC, O965833.

Murray E. Burton, MC, O961038.

George J. Charlebois, Jr., VC, O1785428.

Richard J. Deegan, JAGC, O383820.

William C. Dunckel, Jr., MC.

Richard H. DuPree, MC, O962912.

Robert F. Eaves, Jr., MC, O960859.

Charles V. L. Elia, VC, O1775597.

Jack D. Fetzter, MC, O963268.

John T. Flynn, VC, O1784862.

Robert B. Greiner, VC, O1745729.

Donald E. Guy, VC, O933073.

Walter D. Hammer, VC, O1725719.

Carlos B. Harmon, DC.

John T. Hayes, CHC, O931276.

Nicholas L. Holowach, MC.

Donald L. Howie, MC, O948537.

Daniel W. Hubbard, VC, O1716505.

Loren J. Jacobson, MC, O960467.

Robert T. Jensen, MC, O964251.

Harold B. Lawson, CHC, O949086.

Francis P. Martin, MC, O968434.

Robert C. McCord, VC, O1785299.

Albert C. McCully, DC, O1767574.

Ora H. McKenney, Jr., CHC, O546033.

Walter G. McLeod, CHC, O572334.

Martin S. Oster, VC, O939012.

Elwin R. Prather, VC, O386789.

Joseph S. Quigley, VC, O1725228.

George J. Race, MC, O961439.

Albert M. Richards, MC, O963144.

Harry C. Robertson, DC, O945350.

Donald J. Summerson, MC, O935461.

David C. White, MC, O965831.

John O. Wilson, VC, O1745608.

##### To be second lieutenants

Beverly E. Bochman, ANC, N792562.

Joan M. Check, ANC, N792077.

Jean M. Clawson, ANC, N793226.

Jeanette M. Confort, ANC, N792570.

Fred H. Diercks, MSC, O954634.

Margaret E. Hallam, ANC, N785293.

Adrian D. Mandel, MSC, O533784.

Pettrina M. Mead, ANC, N792346.

Marilynn M. Minton, ANC, N779710.

Marguerite E. Moeller, ANC, N792217.

Mary H. Moltzen, ANC, N777247.

Ralph W. Morgan, MSC, O453617.

Florence L. Pettey, ANC, N764781.

William S. Rooney, MSC, O858932.

Helen M. Slater, ANC, N792167.

Patricia A. Thrush, ANC, N792099.

Rebecca L. Williams, WMSC, R2518.

The following-named persons for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Oscar F. Danner, Jr., O979330.

John O. Ford, O1109294.

David P. Heekin, O453825.

Raymond A. Love, O968456.

Charles A. Matlach, O956230.

Patrick P. McCurdy, O971245.

Donald W. Moak, O971375.

Aldo A. Modena, O970555.

John L. Reed, O975150.

Ernest P. Robinson, O958300.

Rufus C. Streater, O977651.

Erwin C. Thornton, O972208.

Billy M. Vaughn, O96215.

Kenneth Y. Wright, Jr., O975141.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate October 19 (legislative day of October 17), 1949:

##### DIPLOMATIC AND FOREIGN SERVICE

To be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark

Mrs. Eugenie Anderson

To be career ministers of the United States of America

Lewis Clark

John Dewey Hickerson

Edwin A. Plitt

##### FEDERAL TRADE COMMISSION

James M. Mead to be Federal Trade Commissioner for the term of 7 years from September 26, 1948.

##### FEDERAL POWER COMMISSION

Mon C. Wallgren to be a member for the remainder of the term expiring June 22, 1954.

##### ATOMIC ENERGY COMMISSION

Robert LeBaron to be chairman of the Military Liaison Committee to the Atomic Energy Commission.

##### JUDGES OF THE UNITED STATES COURT OF APPEALS

Robert L. Russell to be judge of the United States Court of Appeals for the Fifth Circuit.  
Hon. Wayne G. Borah to be judge of the United States Court of Appeals for the Fifth Circuit.

##### UNITED STATES ATTORNEY

George Earl Hoffman to be United States attorney for the northern district of Florida.

##### UNITED STATES MARSHAL

Rex Bryan Hawkes to be United States marshal for the western district of Oklahoma.

##### UNITED STATES AIR FORCE

The nominations of Harry George Armstrong and other officers for promotion in the United States Air Force, under the provisions



of sections 502 and 510 of the Officer Personnel Act of 1947, and the nominations of Franklin L. Bowling and other persons for appointment in the United States Air Force, which were confirmed today, were received by the Senate on October 15, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Harry George Armstrong which occurs on page 14707 and ending with the name of Warren B. Wisdom which is shown on page 14708.

#### IN THE MARINE CORPS

The nominations of Walter F. Connell and other officers for appointment in the Marine Corps, which were confirmed today, were received by the Senate on October 14, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Walter F. Connell which is shown on page 14584, and ending with the name of Edwin M. Clements which is shown on page 14585.

#### POSTMASTERS

##### ALABAMA

Edward M. Bosarge, Bayou La Batre.  
Elliott D. Sadler, Beatrice.

##### CALIFORNIA

Frederick H. Meyer, Clearlake Oaks.  
Erwin R. Lang, La Crescenta.  
Alice E. Wyman, Nuevo.  
Michael G. Hernandez, San Joaquin.  
Richmond D. Atkeson, Sierra City.

##### COLORADO

Frances M. Ver Straeten, Laporte.

##### FLORIDA

George H. Sadler, Bay Pines.  
Irma A. Cox, Bradenton Beach.  
Samuel R. Valliere, Miami.  
Fred J. Fuchs, Jr., Naranja.  
Eric D. Hartline, South Bay.

##### GEORGIA

Osmont V. Barkuloo, Tifton.

##### ILLINOIS

Henrietta A. Ditzler, Davis.  
Francis Marion Owen, East St. Louis.

##### INDIANA

Damon M. Chesterson, Advance.  
William W. Moore, Newport.

##### IOWA

Tim J. Rohweller, Doon.  
Clement P. McKenna, Oto.  
Daniel V. Lawler, Wall Lake.  
Thomas M. McNally, Waterloo.

##### LOUISIANA

Clyde L. Bibb, Branch.  
Edgar S. Burleigh, Port Barre.  
Lillie R. Gammage, Westlake.

##### MAINE

James R. Blanch, West Enfield.

##### MARYLAND

Jeanette H. McCall, Charlestown.

##### MASSACHUSETTS

Ralph W. Maggs, Fitchburg.  
Oscar R. Anderholm, Gardner.  
Mary V. Meagher, Middleton.  
Samuel F. Knowles, Jr., Rowley.  
Frederick H. Bearer, South Chatham.  
Samuel J. Martineau, South Vernon.

##### MICHIGAN

Joseph P. Adamski, Manistee.

##### MINNESOTA

Ray A. Harris, Angora.  
Howard I. Trana, Henning.  
Myron F. Griffin, Steen.

##### MISSISSIPPI

Ernest L. York, Benoit.

##### MISSOURI

John H. Richardson, Norwood.

##### NEBRASKA

Roy Cecil Plants, Loup City.  
James W. Boyd, Kearney.

##### NEW HAMPSHIRE

John F. Sullivan, Salem Depot.

##### NORTH CAROLINA

Raymond Bowers, Lexington.

##### OHIO

Oliver W. Hook, Bellbrook.  
Albert A. Dete, Glenmont.

##### OKLAHOMA

John W. Bonar, Fargo.  
Louis P. Broadway, Oilton.

##### OREGON

Ernest M. Chandler, Siletz.

##### SOUTH DAKOTA

Ray C. Bonzer, Hecla.  
Albert J. Maass, Jr., Yale.

##### TEXAS

Clifford H. Hultquist, Ganado.  
William L. Butler, Karnes City.  
Raymond L. Toft, Kirkland.  
Bruno H. Morisse, Jourdheim.  
Marion L. McElveen, Rockport.

##### VIRGINIA

Virginia D. Shufflebarger, Bluefield.  
Clyde E. Collins, Christiansburg.  
Grover E. Orr, Dryden.  
Lucy F. Williams, Hollins.  
Wallace H. Armistead, Mathews.  
Earle I. Lipscomb, Schuyler.

##### WASHINGTON

Lester L. Spangler, Orting.

##### WEST VIRGINIA

Wash Hornick, Jr., Anawalt.  
Dorothy M. Albright, Everettville.

##### WISCONSIN

Leland W. Chenoweth, Blair.  
Emil G. Krzywkowski, Cudahy.  
Alvin B. Halverson, Holmen.  
Harry A. Wiseman, Rock Springs.  
George R. Schoenfeld, Wausau.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, OCTOBER 19, 1949

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, who hast crowned our days with goodness and mercy, in all our labors we would magnify Thy holy name. Thou who art the secret of wisdom, O bring sight out of our blindness and purity out of every stain.

As we separate for a while, we look back in earnestness and forward in confidence, for we know that naught Thou hast made can separate us from Thy tender care. Bend over our whole family of loved ones and be gracious to every State under the folds of our flag. Give to every Member a restful satisfaction that comes to those who have borne wisely and well their part, and bring them back in good health and good cheer.

The Lord bless you and keep you. The Lord make His face to shine upon you and be gracious unto you; the Lord lift the light of His countenance upon you and give you peace. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 219. An act to confer jurisdiction upon the Court of Claims to determine the amounts due to and render judgment upon the claims of the employees of the Alaska Railroad for overtime work performed;

H. R. 1028. An act to legalize the admission into the United States of Edmea Pachon;

H. R. 3793. An act to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia;

H. R. 4000. An act to amend section 16 of the Hawaiian Organic Act relative to disqualification of legislators;

H. R. 4042. An act for the relief of Konstantinos Yannopoulos;

H. R. 5191. An act to provide for the furnishing of quarters at Thomasville, Ga., for the United States District Court for the Middle District of Georgia;

H. R. 5354. An act for the relief of Itzhak Shafer;

H. R. 5934. An act to amend the Second Supplemental National Defense Appropriation Act, 1943, approved October 26, 1942 (56 Stat. 990, 999), and for other purposes;

H. R. 6007. An act for the relief of Herminia Ricart;

H. R. 6281. An act to provide for certain improvements relating to the Capitol Power Plant, its distribution systems, and the buildings and grounds served by the plant, including proposed additions;

H. R. 6301. An act to provide for parity in awards of disability compensation; and

H. J. Res. 373. Joint resolution relating to the sale of certain shipyard facilities at Orange, Tex.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4692. An act to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1019. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon any claim arising out of personal injuries sustained by Carl J. Freund and Pauline H. Freund, his wife, of Seattle, Wash.;

S. 1027. An act for the relief of the Merit Co.;

S. 1543. An act to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act;

S. 1747. An act to require the United States District Court for the Eastern District of Michigan (northern division) to sit during a part of its term at Flint, Mich.;

S. 1916. An act for the relief of Edna A. Bauser;

S. 2114. An act for the relief of Mitsue Shigeno;

S. 128. An act to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder;